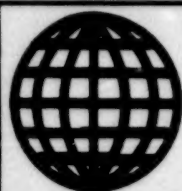


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**FOREIGN
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JPRS Report

East Europe

East Europe

JPRS-EER-91-013

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INTERNATIONAL AFFAIRS

Mlynar Surveys Prospects for Eastern Europe

91CH0245A Moscow SOVETSKAYA KULTURA
in Russian 5 Jan 91 pp 12-13

[Interview with Zdenek Mlynar by Aleksandr Kuranov, NOVOSTI Information Agency correspondent in Eastern Europe—special to SOVETSKAYA KULTURA; in Prague, date not given: "The East European Crossword"]

[Text] [Kuranov] I believe that there is no need to introduce Zdenek Mlynar to our readers. As one of the ideological theorists of "the Prague spring," a secretary of the Central Committee of the Communist Party of Czechoslovakia during this period, he was for a long time on the list of individuals on whose names were a strict taboo. Mlynar was forced to leave his country, and has lived in Austria since 1977.

After the fall revolutions of last year, he has once again gained access to the countries of Eastern Europe, and has visited the USSR as well a number of times. Books by Mlynar on various international issues have invariably been on bestseller lists.

I had not seen Zdenek for almost half a year. Many events had happened in the international arena during this time. However, the conversation somehow began all by itself with the German topic, definitely one of the pivotal topics of the year now ending. I had just returned from Berlin, and Mlynar was about to go there.

[Mlynar] Of course, another development scenario of the process of unification of Germany was conceivable. For example, it could have been more gradual and thought-out, more favorable to the populace of the GDR for which, apparently, the Modrow government strove. However, to my mind, reality outpaced the fantasy and plans of all political groups in both parts of Germany. Historically, it so happened that H. Kohl and the Christian Democratic Union were in power in Germany at precisely this time. They were the ones who managed to take advantage of the situation which developed in the best manner.

In general, all processes of change in the countries of Central and Eastern Europe are, alas, occurring belatedly. All socialist countries could have undoubtedly taken an absolutely different path of development had it not been for the erroneous concepts and decisions of the late 1960's and the subsequent period of Brezhnev's rule. At the time, a path of serious reforms in the system of political and socioeconomic relations appeared quite natural. I was profoundly convinced that such a process was possible, and this is why I participated vigorously in the preparation of reforms in Czechoslovakia in the second half of the 1960's.

However, nothing of the kind happened at the time. Twenty years later, it was too late to carry out what had

not worked then. This is why in the last year events developed according to altogether different scenarios, with different objectives and prospects. At any rate, at present a majority of the people in virtually all countries of the region no longer want to hear anything about socialism. The possibility of a certain rebirth of sympathies toward socialist ideas in the immediate future depends on the development of the situation.

[Kuranov] At present, the following may be heard quite frequently in the East European countries: Let us try to "re-live" these last four or five decades anew. Let us return to the blessed 1930's, which for Eastern Europe were pre-Hitler, pre-Stalin times when, they say, democracy, the economy, and culture prospered in these countries. "Pushing away" from this foundation, we will speed forward, enriching ourselves with the experience of the leading countries of the world.

[Mlynar] Indeed, we encounter such views quite frequently, as if all we had to do to find the starting line which we left a long time ago would be to go back a bit—and there it would be right around the corner. However, everyone apparently knows the parable about the river of history which one cannot enter twice.

The aspiration to copy something that has worked for Western neighbors is another common misconception. For example, let us borrow the social policy from some, the scenarios of economic development from others, and the principle of ethnic arrangements from yet others. Meanwhile, it is impossible to artificially and painlessly transplant something that has been created under different conditions and has "ripened" over many decades.

Therefore, the East European countries, having undertaken such attempts to "upgrade," and having suffered painful losses, will most likely end up with their own virtues and shortcomings which they are vigorously trying to overcome at the first stage of the transformation process. They will understand that, from an economic and political point of view, they are quite backward partners for the more developed West European states. To be sure, we need to say that at present the latter treat the region in question quite favorably.

[Kuranov] Apparently, in this case it would be more correct to refer to the breakdown of old structures and relations which have emerged in the postwar period rather than reforms, to a search for, and the emergence of, variants of a new system of political, economic, and social relations which are, perhaps, different in each country?

[Mlynar] Undoubtedly, systems built "on the Soviet pattern" have reached a dead end and ultimately collapse there. Nonetheless, the experiences and habits of the past 40 years cannot be rejected just like that. They are deeply rooted in everyone and on the whole in the conscience of entire societies. As a result, the latter now differ noticeably from Western societies. This is why the good expectations of many people—let us introduce a

market economy, restructure our laws in a West European manner, untie the hands of private entrepreneurship, and everything in our countries will proceed as it does in the developed countries, and the well-being will improve almost all by itself—to my mind, are groundless. This is possible only in Germany, and then only after a certain difficult period of changes, because the West Germans are interested in equalizing the two segments of the same state and the same nation as soon as possible. In the other countries of the former Soviet bloc these processes will be quite protracted and painful in nature.

To my mind, this means that a period of confrontation with reality will inevitably come, and that a considerable segment of the populace will experience the feeling of disappointment when they fail to see quick favorable results of the transformations undertaken. They cannot be quick; there are very few real prerequisites for this. The East European economies are marked by low labor productivity, obsolete technologies, poor dynamics of economic development, and so on. It is impossible to bring this up to speed within a short period of time. Many years, and perhaps even decades, will be needed.

A period of social conflict may come when the people see that they still live considerably worse than the population of the FRG or even Austria.

However, I do not think that even under these circumstances the people will come to sympathize with the buried Stalinist system. Such a return is not possible either. However, interest in some socialist ideas may come back because, despite the fact that the bulk of the population of many East European countries at present are not considering a return to socialism. As I have already said, they would nonetheless like to preserve individual accomplishments of their history associated with the concept of socialism.

However, the emergence of authoritarian groups and, perhaps, groups of a nationalist stripe may become a threat if in any of the countries social tension leads to a crisis. Such a scenario of development is not at all ruled out for the countries of Eastern Europe. After all, functional structural prerequisites for genuine political pluralism have not been created here yet. The parliaments have just begun to gain the experience of real work. The press is coming into its own, inevitably veering alternately to one side and the other. As a rule, the current opposition is not an integral part of some strict system but merely a conglomerate of the most diverse opinions and views. Of course, in this condition it is not capable of carrying on a mutually useful dialogue with existing governments.

Actually, democratic forces in the East European countries have to learn this anew. However, it is necessary for social tensions, which are unavoidable at this stage, not to be too strong, if possible, and for the clashes of political forces not to be too harsh in order for the new structures to assert themselves. [It is necessary] for

political opponents to refrain from going for each other's throats but to conduct a dialogue about the future of their country and their people within a normal parliamentary framework. [It is necessary] for party interests not to prevail over the interests of state.

Alas, the sprouts of mutual intolerance are already coming up. Further tendencies showing authoritarian development are quite clearly discernible. Our past experience suggests that this may also be right-wing authoritarianism. After all, in the 1930's, which are so frequently and lovingly mentioned here, it was precisely nondemocratic, authoritarian, and most frequently semi-Fascist regimes that existed in all East European countries with the exception of Czechoslovakia.

[Kuranov] Will the general nature of development of international relations, as well as the further evolution of perestroika, always be a considerable influence on the domestic political situation, as has been the case?

[Mlynar] We do not have an opportunity to do such an analysis. However, I am firmly convinced that if the processes of transformation in the USSR are interrupted, that is, perestroika is defeated for some reason, this will affect the democratic development of East European states in a sharply negative manner.

Of course, I do not at all mean that the USSR may mount a military or political offensive against the region previously subordinated to it. As I see it, this is absolutely ruled out. However, if the USSR returns to some previous political-ideological formations, the isolation of this entire region from the West will unavoidably recur. For the West, Central and Eastern Europe will become a borderland of sorts, a neutral zone into which it is better not to poke one's nose in any way, so as not to irritate the again unpredictable and frightening Soviet Union.

In this case, the development of the East European countries in keeping with a prewar scenario could become likely, including the national-authoritarian forces of the right political orientation gaining power.

At present, these states badly need two or three years of quiet evolutionary development without serious upheaval. In this case, the structures of parliamentary rule and pluralist political democracy will gradually become stronger. In Czechoslovakia, for example, where such traditions, [now] thought [to be] almost forgotten, but once very strong, a political center with a certain left-wing orientation could emerge.

The situation is somewhat different in Poland. In that country, the Catholic Church has always played a more confident role. There, the influence of rural areas and different social strata is strong; their political culture is absolutely different from that in the CSFR. This is why creation of a government with a certain conservative orientation, but without extremist tendencies, is natural in Poland.

I believe that in Hungary the right wing will prevail in politics at the initial stage of development. In the future, I see the possible growing influence of the Austrian neighbor in this case.

The outlook for Bulgaria and Romania is harder to predict. By all signs, the tendency of authoritarian systems to emerge to the detriment of parliamentary democracies in these countries is becoming increasingly distinct. However, this will once again be determined by the several years of development to come.

[Kuranov] As you see it, what kind of support may the East European countries expect from political and economic forces in the West?

[Mlynar] Capital is capital, and it will behave according to the laws of profit. Undoubtedly, major international cooperations will attempt to enter the national economies of these countries, and this may be mutually advantageous. Western financiers will reap profits, and the national economies will speed up their movement forward, using the investment obtained. Events unfolded recently in Greece and Spain in precisely this manner. As far as the political forces of the West are concerned, they will behave in keeping with their interests. Conservatives will attempt to reinforce the position of their comrades in the countries of Eastern Europe. Liberals will support liberals. The European Democratic Union will render all possible kinds of aid to the Christian-Democratic movements. The Socialist International is interested in the reinforcement of the social democrats and various groups of socialist orientation which are close to them in terms of convictions.

In a word, the East European societies will strive to accumulate and borrow very many tendencies and traditions of socioeconomic and political development from Western countries while a quite considerable raw material and, in part, general economic attachment to the USSR will unavoidably persist for a long time. This kind of bipolar foreign policy and economic influence compounded by internal political struggle—this is precisely what will determine the national development of all states in this region.

BULGARIA

SDS Chairman on Relations Among Members Parties

91BA0208A Sofia TRUD in Bulgarian 11 Jan 91 p 3

[Interview with Filip Dimitrov, SDS [Union of Democratic Forces] Control Council chairman, by Nina Koleva; place and date not given: "The Difficulties Facing Us Are Worthwhile"]

[Text] [Koleva] There is talk of a split within the SDS [Union of Democratic Forces]. What is the truth? Who is interested in inflating the differences?

[Dimitrov] The rumor of a split within the SDS will remain as long as the SDS exists. This, apparently, is the cherished dream of many people who for one reason or another are not among its best friends. The point is that the SDS is a coalition (something I have repeatedly stressed), and, naturally, there are differences within it, which makes it equally natural that different views will exist at different times within it. It is normal for them to develop into frictions, and it is not astounding that sometimes there may even be quarrels. This is taking place or, rather, this took place in the past few days. What matters is that, in the municipal elections, the SDS will once again be united.

[Koleva] The newspaper DEMOKRATSIYA has already announced the start of the electoral campaign. The SDS is entering this campaign with the "asset" of two political scandals (Beron and Pushkarov) and a plan concerning new prices, influenced by its economic experts. Will all this affect the reputation of the alliance?

[Dimitrov] The very fact that you are asking this question indicates that it has affected the reputation of the union. But let us consider the matter sensibly. The political scandal involving Mr. Beron is something about which there has been so much talk that, had someone failed to determine what it is all about, he would find it very hard to understand. As for arguments about the support of the members of the government, this is a more serious question because it could leave many people with the impression that some SDS organizations, the BSDP [Bulgarian Social Democratic Party] in particular, are not supporting that government. The SDS came out with a view concerning the behavior of the parties and organizations within it, which is that all of them are supporting the government. As for price increases, they are inevitable. They were discussed as early as May or April. After that, because of the "success," the subject was forgotten. Now it has reappeared. When people were talking about "shock therapy," we were being abused for the bad words we had used and for the evil ways in which we wanted to lead Bulgaria. For nine months Mr. Lukanov led the country, and we saw where it ended. To be involved with the International Monetary Fund, we must accept its conditions. We shall try to distribute the burden of these conditions among the Bulgarian population in such a way that suffering will be lessened. Let me emphasize that we should expect three or four very harsh months, followed by perhaps four or five difficult months, then four or five unpleasant months, and, after that, God willing...

[Koleva] Mention was made at the recently held SDS conference in Plovdiv of a secret meeting at the home of Nikolay Khaytov a few days after 10 November that was attended, along with the leaders of the opposition, by Andrey Lukanov. Your comment?

[Dimitrov] There is nothing I can say about this meeting because I did not attend it. People gather together. A person may meet with his political opponents and with his possible political supporters. Let us not forget that.

when Mr. Lukanov appeared on the horizon, all of us without exception believed that he was a highly competent, serious, and sensible person on whom we could rely.

[Koleva] What is your personal opinion of the Dertliev-Pushkarov conflict? Is there any danger that the "Dertliev syndrome" will prove to be contagious to the remaining SDS organizations?

[Dimitrov] I do not understand the meaning of the "Dertliev syndrome" concept. It is well known that Mr. Dertliev is an exceptionally popular person and that he has done a great deal for the development of the opposition in Bulgaria. He is a person who enjoys a tremendous reputation in his party. It is in the interests of us all to prevent the outbreak of such conflicts in the future. I consider it essential for this conflict to be resolved somehow, if not on the personal level then at least as far as the government is concerned.

[Koleva] How do you assess the growing popularity of the opposition outside the parliament—the business parties, the monarchists, and so on?

[Dimitrov] Are these parties becoming more popular? I am surprised. Without wishing to insult anyone, I consider it rather frivolous for a party to include in its program, as its basic guiding element, its view on the administration of the state—whether it should be a monarchy or a republic. I have heard it said that this view is shared by those who wear the crown.

[Koleva] Is the SDS ready with its strategy and slogans for the municipal elections?

[Dimitrov] The slogans are not what is most important. We have them but prefer to keep them secret. They are based on the specific nature of the electoral campaign, which is for the election of local authorities and is different from the campaign for the parliament.

[Koleva] What is your view on the steady increase in political apathy?

[Dimitrov] The fact that there are people who claim that they will not participate in the elections should not frighten anyone. It is even an indication of a lack of very intense political passions. It is very important to see who will not participate in the elections—those who are prepared to support the existing system or those who are struggling to replace it. If a person feels involved with a declining political force, it would be better for him to stay home and not vote, instead of being torn between his feeling of realism and his loyalty to a party to which he is linked via the good memories of his youth.

[Koleva] Could you find some words of encouragement for the supporters of the SDS and for all Bulgarian people, bearing in mind that the most difficult period is beginning?

[Dimitrov] I can say the following to the SDS supporters: The change of system is inevitable. This is occurring

throughout the world. The system will go away. The political forces that are in favor of this are the political forces of the future.

I believe that the difficulties we must face are worthwhile.

CZECHOSLOVAKIA

Interior's Agreement With KGB Criticized

91CH0219A Prague ZEMEDLSKE NOVINY
in Czech 1 Dec 90 p 3

[Article by Jan Subert: "In February 1990 We Signed an Agreement With the Soviet Secret Service: Is the Exchange of Information Continuing?"]

[Text] "The CSSR Federal Ministry of Interior and the Committee for USSR State Security, guided by their desire to further strengthen friendly relations and cooperation between the two states, taking as their starting point the effort to adjust, after a mutual agreement, cooperation in ensuring the security of both states, with respect to the obligations of the CSSR and the USSR stemming from the Warsaw treaty on friendship, cooperation, and mutual assistance, agreed on the following:"

With these words—although this is a somewhat shortened version—begins the introductory page of the Agreement on Cooperation between our Federal Ministry of Interior and the Soviet KGB, signed in Moscow on 26 February 1990. From its contents and individual Articles we have selected the following:

Article I

The contracting parties pledge themselves to cooperate and give assistance to each other in ensuring the security of both countries. They will provide mutual assistance on the basis of specific requests.

Article III

Assistance according to the Agreement includes especially the exchange of information concerning the security of both contracting states, exchange of experiences in the performance of duty, mutual deliveries of special technologies, and assisting in the training of specialists.

Article IV

The contracting parties will exchange experiences, provide mutual assistance, and will cooperate in the organization and tactics of preventing and uncovering especially dangerous criminal activities. The exchange of experiences includes providing professional literature and other publications free of charge.

Article V

Delegated workers of both contracting parties will exchange information concerning issues which relate to the security of the border areas of both countries.

Article VI

The KGB will provide on the basis of specific requests assistance in training members of the Czechoslovak security force in specialized courses. Cost of training and housing will be paid by Czechoslovakia. The number of specialists and questions connected with their training will be specified for individual calendar periods.

Article VII

To fulfill this Agreement, the contracting parties will work out annual plans for mutual contacts in the performance of duties.

Article VIII

Contracting parties entrust the resolution of practical questions of cooperation and maintenance of mutual contacts to the representatives of the CSSR Ministry of the Interior at the KGB and the representatives of the KGB at the CSSR Ministry of Interior: the number of representatives of both countries is to be determined on the basis of the Agreement between the contracting parties, maintaining the principle of parity and not exceeding six workers. Contracting parties will provide reciprocally to the representatives of the other contracting party transport facilities for official trips including car repairs, furnished apartments, and medical care.

Article X

This treaty goes into effect at the time it is signed and will remain in force for the duration of five years.

Executed in Moscow in two copies, each one in Czech and Russian, both wordings having equal validity. Signed by the CSSR Minister JUDR Richard Sacher and Chairman of the KGB Vladimir Krjukov.

Today a mere formality? An internationally acknowledged anachronism, beholden to the events from the time of the transformation of our security units at the beginning of the year? As a consequence of the disintegration of the Warsaw Pact that is taking place, only a dead letter? Very probably. For the sake of objectivity, one can also refer to Article II, which says that each of the contracting parties can refuse the request for assistance. That is, in case such assistance would be an intervention in the sovereignty of the state, if it would put its security at risk, if it would be inconsistent with its laws, or if it would cause harm to its basic interests.

But on the other hand, of course, it is not possible to pretend that the Agreement on Cooperation between the Federal Ministry of Interior and the Soviet KGB does not exist. So far it has not ceased to be an internationally valid document. Moreover, immediately after it was signed in Moscow, efforts to fulfill it began to be evident in our security apparatus. Copies of the treaty were sent to the Kraj Administration of the SNB [National Security Corps] at that time. For example, the accompanying letter of one of them, addressed on 1 March 1990 to the

chief of the Kraj Administration of the SNB in Kosice, contains this comment: "In accordance with this Agreement make certain that the duties of the Kraj Administration of the SNB and Administration for the Protection of the Constitution and Democracy are fulfilled according to the tasks arising from the Agreement."

Therefore questions about whether the exchange of information still goes on between us and the KGB, by how many people is one or the other party represented in Prague or in Moscow, or how many of our workers visit KGB schools, are definitely not out of place.

The agreement, which in its preamble refers to the obligations between the CSFR and the USSR stemming from the Warsaw treaty, has been superseded by political developments, and fulfilling its principles is in deep conflict with reality. Its validity was rendered de facto void already at the moment the East European bloc disintegrated, and further adherence to the treaty can have harmful consequences for our internal security. Following a discussion and evaluation of the text of the Agreement on Cooperation between the Federal Ministry of Interior and the KGB in the Defense and Security Committees of the Federal Assembly—which are to take place at the end of next week—only one thing can be demanded: An agreement, which consolidates by the above-mentioned method the interlinkage of our security units and the KGB, should be repudiated and cancelled.

Independent Slovak State: Implications Reviewed

91CH0148A Bratislava DOTYKY in Slovak No 7, 1990 pp 10-13

[Article by Robert Kotian detailing questions on the Slovak State asked of three historians; place and date of questions not given: "I Should Be My Brother's Keeper"]

[Text] Originally we had in mind to organize in the editorial office a small roundtable of several interested parties to discuss the problem of the Slovak Republic of 1939-45. Unfortunately, during election time when the following material came up it proved practically impossible to do so. For that reason, I asked identical questions of three historians: Dr. Anton Hrnko, member of the Institute of Historical Science of the Slovak Academy of Sciences, Dr. Jozef Jablonicky, for many years an independent historian, today the Director of the Institute of Political Logic of the Slovak Academy of Sciences, and Dr. Vaclav Stefansky of the Military Historical Institute of the Slovak Academy of Sciences. The answers in this multidiscussion were therefore independent of each other and without any mutual connections. Fortunately, thanks also to the appropriate choice of those involved we looked at the problems of the Slovak Republic from various points of view, and we came closer to an objective picture of that era.

If in this discussion we achieved at least the minimum, that is, take a stand on the so-called Jewish question and at the very least cause doubts in the minds of those who

are so willing to equate the adherents of Part I, Article 1, Paragraph 1, of the International Covenant on Human Rights ("All nations have the right to selfdetermination. On the basis of this right they freely determine their political status and freely realize their economic, social, and cultural development.") with the adherents of fascism and supporters of the totalitarian regime of the 1939-45 Slovak Republic, then our effort has not been in vain. Whether our discussion can raise questions in the minds of some people about shared responsibility for the lives and fates of all of us (we are to be "my brother's keeper"), I only allow myself to dream.

[Kotian] After the birth of Czecho-Slovakia, the Slovak nation (or at least its political representatives) had high hopes, induced also by the brutal Magyarization during the prewar era. To what extent were their hopes fulfilled, or even could have been fulfilled?

[V. Stefansky] The creation of the Czecho-Slovak state was a historic advance in the national efforts of that time. Its existence represented an important stage in the process of molding the Slovaks into a contemporary, modern nation. The conditions for all-around national progress became incomparably better as compared to the past. But the ostensibly "limitless" possibilities for progress began to be choked off immediately after the creation of the state by Masaryk's policy and the ideology of Czechoslovakism. Let us admit that proclaiming the idea of a homogeneous Czechoslovak nation was warranted at the time the state was being constituted, as a tactical maneuver for the eyes of the Powers in order to gain their approval for the creation of a Czecho-Slovak republic at all. However, Masaryk and, after his death, Benes maintained this position their whole life. The promises which T.G. Masaryk made to Slovak politicians at the time the state was created—guarantee of distinctiveness and equality of the Czechs and the Slovaks—he did not keep. That led to a splintering of the Slovak political camp and the forming of a strong opposition to the official policy. The main representative of the opposition became the Slovak People's Party with Andrej Hlinka at its head. Already in 1921 the focus of its program was in the struggle for Slovak autonomy, which it succeeded in obtaining in October 1938. Slovak autonomy was their ultimate goal. Nobody even thought about an independent Slovakia at that time. I would especially like to emphasize this because until recently people talked and wrote about the Slovak People's Party (or the Hlinka Slovak People's Party—so named in 1925) as if it had had separatist goals, even a program, from the very beginning. How then were the high hopes placed on the first republic of the Czechs and Slovaks fulfilled? I think that the historical advances achieved by the creation of the Czechoslovak state inevitably had to be limited. But in spite of that I believe that the Czechoslovak-centralist politics of Masaryk and Benes contributed by its voluntarism, intolerance, and maybe even chauvinism to further limitations on the possibilities of the 20-year development of Slovakia in all areas of social and economic life.

[A. Hrnko] In any case, the creation of the Czecho-Slovak state in 1918 fundamentally influenced the future of the Slovak nation, and it must be said that the influence was positive. The Slovak nation extricated itself from the genocidal pressure to Magyarize them, and under democratic conditions also matured in a rather substantial way into a developed European nation in every respect. These were, in any case, the positive features of the new state. But we cannot close our eyes to the decidedly negative elements of state power for the Slovak nation, which at the very birth of the Czechoslovak Republic foreshadowed its 20-year political development and tragic end. First of all it must be pointed out that the new state came into being in 1918 as the Czecho-Slovak Republic, therefore as a state composed of two nations. But very quickly it was changed into the Czechoslovak Republic, which, similarly as the former Hungary, did not recognize the Slovak nation as an independent entity but only as a kindred, undeveloped, backward branch of a single Czechoslovak nation. This was a certain disappointment to a considerable number of politically thinking Slovaks who did not set out to part with the Hungarians in order to meld with the Czech nation, but with the goal of wresting a place in the sun for themselves. Today even the Slovak side often justifies Czechoslovakism as an ideology which was to strengthen Czechoslovak statehood, particularly out of foreign policy considerations. And if indeed that was the intention, it must be said that in practice its realization was perhaps the worst product of Czech politics. It seems to me, however, that the ideology of Czechoslovakism did not serve foreign policy at all, rather it was designed to cover up the unequal status and lack of independence of Slovakia, which became a source of cheap labor and cheap raw materials for Czech capital. After all, no ideology whose aim is to meld together on an equal footing two "branches" can undermine the economic strength of one part of its "nation" to the extent that the Prague centralism did in Slovakia between the two wars. Thoughtful policymakers therefore had to expect a strong opposition that would resist this destructive policy of the central authorities in Prague. The autonomist movement was given birth by the Czech policy, which by its inflexibility kept strengthening the radical tendencies. Throughout the 20 years of the pre-Munich republic the Czech ruling circles showed an unwillingness to solve the Slovak problem, which of course had an impact on the relations between the Czechs and the Slovaks. These relations were key to a stable existence of the state, therefore it can be said about the Czecho-Slovak statehood of the first republic that it was in a state of permanent crisis. This crisis had to manifest itself in time in an external threat to the state, which happened. Therefore the cataclysm in foreign policy necessarily had to develop the way it did. I am personally convinced that had the Czecho-Slovak (that is, Czech) policy taken a fundamental step toward a Czech-Slovak accommodation sooner (in the middle of the thirties the situation was already overripe), events would probably have taken a different turn. Although—naturally—it probably

would not have stopped the Nazi expansion, it did not have to complicate our relations so much.

[J. Jablonicky] The birth of the CSR needs to be considered as a great historic turning point for the Slovaks and we should state without reservations that it was not only a matter of Czech political representation but of the Slovak as well; it was not only the expression of the will of the Slovaks in the legions of the Allies or in the USA, but also of representatives of domestic Slovak politics.

[Kotian] The events of 14 March were preceded by the events of 10 March, to this day shrouded by a veil of secrecy, and they in turn by the autonomy in October 1938. This was preceded by Munich, the capitulation of the Czechoslovak government under pressure from Hitler and the Western Powers. Munich showed that the Czechoslovak government was no longer able, and indeed not even willing, to stand up for the freedom of its citizens, to protect its statehood. Does not 14 March look a little different from that perspective? Was not at stake also (and perhaps especially) the defense of the Slovak nation and territory before it was parcelled out among its neighbors? To put it in the words of J. Ch. Korec: "If it is the task of the politicians to defend the nation, who would have achieved more in this desperate situation?" Although we are not talking about a concrete historic principle, let us try to ask ourselves a fictitious question—what would have happened to Slovakia if the Slovak Republic had not come into being?

[V. Stefansky] Your question incorporates so many problems that it would be difficult to explain them in one monograph, let alone one answer. At the very beginning, however, I must express my disagreement with your statement that the Czechoslovak government was no longer able or indeed willing to stand up for the freedom of its citizens, to protect their statehood. It would be, to my mind, a very simplified view of this tragic chapter in our history. As far as I know, our historiography has already transcended this view. About the events of 10 March I would like to say that this problem has remained to this day inadequately analyzed from the military point of view. Therefore I shall note only a few phenomenological data. During the night from 9 to 10 March, President E. Hacha dismissed the Slovak autonomous government of J. Tiso (including Minister P. Teplansky). J. Sivak, until then the Minister of Education and Culture and Vice Chairman of the Hlinka Slovak People's Party [HSL'S], became the new Premier. V. Tuka, A. Mach and other radicals from the HSL'S were arrested. F. Durcansky and the Chief of Staff of the Hlinka Guards, K. Murgas, fled to Vienna. Tiso retired to his parsonage in Banoviece. During the night between 9 and 10 March a military dictatorship was installed in Slovakia. Sivak was in his post only two days and did not even have time to take over the government. Military commanders took power. One of them was General B. Homola (this is the source of the incorrect designation of the events from 9 to 13 March as Homola's Coup d'Etat), Commander of the 7th Corps in Banska Bystrica. Important public buildings and communication centers were

occupied by the army and gendarmes from Bohemia. Early in the morning of 10 March 1939 the Czechoslovak radio explained the intervention in Slovakia as follows ".... some elements have been working against the law on Slovak autonomy ... some of the functionaries of the Slovak government did not exhibit a strong enough resistance to the subversive activities ... a change in the Slovak government became imperative and in the interest of Slovakia and the entire state had to be resolved as quickly as possible. It was carried out in such a way that the autonomy of Slovakia remains inviolate and the Zilina accord remains in force..." But for many reasons the military intervention did not fulfill the desired task and did not bring the expected results. On the contrary, the radical wing of the HSL'S used it for its own political ends. After discussions by the Presidium of the HSL'S and the autonomous parliament with the government, a new autonomous government was named on 11 March with K. Sidor at its head and the extraordinary measures were cancelled. It happened only 3 days before the destruction of the Second Republic and the proclamation of an independent Slovakia. As far as 14 March is concerned, I think it must be looked at primarily in the context of international politics, and especially in connection with the developments in the Germany of that time and its plans for aggression. To the last moment the Slovak autonomous government did not entertain thoughts about Slovakia breaking away from Bohemia and Moravia. Dr J. Tiso and the Slovak parliament acted under strong pressure from Hitler. If they wanted to preserve the entirety of the Slovak territory (and they wanted to) there was no other way but to proclaim a Slovak Republic. Otherwise the program of the day most likely would have been a division of Slovakia among its neighbors.

[A. Hrnko] It must be said, first of all, that the decisive blow to the existence of the Czecho-Slovak Republic did not occur on 14 March 1939. What happened that day was directly encoded in the Munich agreement of September 1938. The republic could have been in fact defended only until the acceptance of the Munich agreement. After that no longer! What happened subsequently on the territory of Czecho-Slovakia was only an embarrassing submission to Hitler's will. And that was unequivocal. His plan, after all, was the restoration of the "Great German Empire." And as we know from history, this concept always included the Czech lands. Naturally, there were also internal disputes between the central government in Prague and the autonomous government in Bratislava. Given a natural process they would probably have been resolved to the satisfaction of both parts of the republic—perhaps even by a natural parting of the ways. Both governments were already in the firm embrace of Berlin and Berlin wrote the scenario.

As for as the military coup in Slovakia on 10 March 1939 which overthrew the Slovak autonomous government of J. Tiso, preparations for it began already in December 1939, were detailed in February 1939, and its goal was if not an abolishment, at least a strong limitation of the

Slovak autonomy. But personally I do not think that its realization had any longer anything to do with the original intentions. I rather have the impression that Czech authorities were already thinking about the future—it was clear to them that Nazi Germany wanted to destroy the republic and that it was supposed to happen through an apparent internal disintegration. The farce with the coup was mounted in order to discredit this plan before the world. And so the coup, but primarily the policy of Sidor's government, made it clear to the world that an act of violence was being committed against the nations of Czecho-Slovakia.

To the question whether Slovak policy had an alternate course of action other than the one it followed, the answer must be that after Munich, no. The fate of Czecho-Slovakia was decided already in Munich (and Hitler would have occupied the Czech lands no matter what). Therefore a different decision of the Slovak Parliament would not have helped the Czech lands, but Slovakia would have fallen into an even deeper abyss than the one in which the Czech lands found themselves. In case of resistance Hitler would have certainly divided it among three of its rapacious neighbors—Germany, Poland, and Hungary.

[J. Jablonicky] As far as 14 March 1939 is concerned, we should study it in conjunction with the developments in the internal situation, the crises in the coexistence of the Czech and Slovak representatives, and at the same time with the events abroad. This independent state has been from the very beginning under the shadow of Hitler's Germany and from the beginning to the fall of the regime it was dependent upon it. That is also why it ended that way. Naturally, the threat of the division of Slovakia existed but was not implemented. Let us keep in mind that this danger existed, but let us describe things the way they happened. The Slovak politicians of that time thought that the protector of the new Europe will be the Great German Empire, and for a long time at that. The course and outcome of the Second World War, however, were entirely different. If the task of politicians is to protect the nation, then it is questionable whether they succeeded in protecting the nation. The Slovak nation lived through the uprising and would have lived also through the Second World War—although in a different form. This sole option is being explained as the salvation of the nation because it was realized. But it was realized under the pressure of the international situation. If there had been no Hitler's Germany, a Slovak state would not have come into existence. In the given configuration of the crisis in the CSR Germany looked for ways to dismember it. It was precisely the radical Ludak [popular name for members of Hlinka's Slovak People's Party] wing that became the tool of Nazi policy. But the republic would have broken up anyway. To think of Tiso or the Ludaks as the destroyers of the republic is therefore very one-sided. The republic broke apart, and they in their nationalistic egotism tried to save what could be saved, convinced that Germany would be the guarantor

of stability in Central Europe for a long time to come. The creation of the Slovak Republic was based on entirely faulty premises.

[Kotian] A blot on the history of the Slovak nation is the solution of the Jewish question during the time of the Slovak Republic. Although there are efforts to play down this problem (whether it is by arguments about the social, religious, and economic exclusiveness of Jewish society, ignorance about the fate of deported Jews, or the cessation of the deportations—for example F. Vnuk in his interview for LITERARNI TYDENIK 10/90), at a minimum the existence of the so-called Jewish Codex, aryanization [a program of transferring Jewish property to Aryan hands], and deportations based on the principle of some abstract collective guilt are facts, and it is not easy even for today's young generation, which had nothing to do with that reality, to come to terms with them.

[A. Hrnko] What happened to the Slovak Jews cannot be qualified as anything but an inhuman act, *eo ipso*, a crime. But it must be precisely determined who was guilty of it. And here we can no longer agree with what is being written in our press, and especially abroad. Usually, when there is talk about a Slovak state (not only the one in the past, but also the possible one), it is immediately argued that one had been here already and that it cost the lives of 58,000 Jews. But what is a state? A state is, after all, an organized community of people. The Slovak state was an organized community of 2,600,000 Slovaks. Was the Slovak nation collectively guilty of the tragedy that befell Slovak Jews? Therefore, was the Slovak state guilty of it? If yes, then it is the last collective guilt in Europe which is still being recognized as such. Responsible for the tragedy of Slovak Jews was above all the Nazi regime in Germany and similarly in Slovakia there were specific people who can be assigned political as well as legal guilt for the deportations. Similarly, the Hungarian state or the French state... was not responsible for the fate of the European Jewry, but everywhere we can identify specific culprits. Therefore it is nonsense to maintain that the Slovak state is guilty of the tragedy of Slovak Jews.

[V. Stefansky] As far as I know, there are no differences of opinion among Slovak historians living in Slovakia in evaluating the Jewish question during the existence of the Slovak state. They all agree that the deportations of Slovak Jews to concentration camps were an unjustifiable genocidal act, for which the government of the Slovak Republic and its president J. Tiso bear full political and moral responsibility. Significant differences of opinion on the solution of the Jewish question in Slovakia during the Second World War are appearing lately also among Slovak historians and publicists abroad. In that connection permit me to quote some thoughts from the letter of Jozef Sramek addressed to F. Vnuk, which was published in a special edition of SLOBODA in 1990.: "What I discovered and critically analyzed confirmed my conviction that pleading ignorance and covering up and distorting facts is not only

morally wrong and harmful to the Slovak cause, but that we can realistically help our nation and its cause in the world only by sober truth, because it will set us free before our own conscience, before the young generation, before the nation at home as well as before the world. It will free us of the debt that has placed a burden on our name, our history, as well as on the good repute of the Slovak republic and its legal representatives... Today, ignorance no longer exonerates us. And we must not, nor can we, close our eyes, ears or hearts any more to the recognized truth. We must simply accept it, come to terms with it, regret it and beg forgiveness. Otherwise we shall forever carry the mark of Cain on our foreheads and hard feelings in our hearts. Can we thus acquit ourselves creditably before the world and our own nation of which more than two-thirds were born after the war? Before the young generation at home and around the world? Before history?"

I personally do not see the need to add anything to this. Maybe only that these sentiments of J. Sramek are highly humanistic and I fully agree with them.

[J. Jablonicky] I consider the so-called solution of the Jewish question under the Slovak state to be the weakest, most vulnerable point of the Ludak regime. And it is precisely the manner in which the tragedy of the Slovak Jews is being explained in all of the "Ludak" versions that I consider to be an effort to justify this crime. They always want to place the guilt only on the German side. It must be stated clearly that the deportations themselves and everything that preceded them was such an infringement of basic human rights that we label it a crime. Responsibility for the anti-Jewish campaign and the manner in which it was conducted does not lie only with Ludaks of the A. Mach and V. Tuka type—we should remember also some speeches of President Tiso (including the one in Holic in August 1942). And that cannot be easily swept under the rug. At one roundtable discussion I pointed out the fact that some Ludaks also were against the deportations, and that I even witnessed in the presence of Pavel Carnogursky how he himself in 1943 called the deportations a crime, took a stand against them, and wrote to the bishops in Nitra and Banská Bystrica that such crimes should not continue. Therefore not only what was done later in Majdanek or Osviecim, but the events and acts in Slovakia were already a crime. The arguments that Jews were not integrated into Slovak society, that they were nothing but shopkeepers etc., are a very uncivilized effort to justify Ludak policy. One only needs to look at any Ludak journal—antisemitism is always present there. Similarly we should say that guilty of the deportations is not the Slovak nation as a whole, not even all Ludaks, but that all anti-semitic measures were carried out by the Slovak people, gendarmes, district chiefs and Guardists who shared in such actions, not excluding auctions and aryanizations. On the other hand, we must not forget the forces and groups which wanted to put a brake on the entire process of deportations. The attitude of the Vatican toward Slovak politicians must be emphasized; after all, it is well known

how critical and negative a position the Vatican took on the solution of the Jewish question in Slovakia.

It is very interesting that Slovak historians and publicists who defend the Ludak regime skirt around this point as if it did not exist. Also very interesting is the discussion between F. Vnuk and J. Sramek who is both a Catholic and a Slovak and with whom one can only agree. The next stage of the solution to the Jewish question began during the German occupation of Slovakia. In many mass graves Jews were found who were executed only because of their origin. The command of the concentration camp in Sered was already in the hands of the *Sicherheitsdienst*, but the Jews were also deported there by Slovak Guardists, members of the POHG. Joint responsibility of Slovak authorities continued to the end of the war.

[Kotian] Even in the report of the illegal headquarters of the Slovak Communist Party about developments in Slovakia after 6 October 1938 (written on 7 July 1944, so that the following data describe the situation until that date) the economic situation in Slovakia is evaluated as basically good: "In Slovakia today there is relatively enough goods, distribution of supplies is functioning on the whole well, and in comparison with other countries (Bohemia, Hungary, Germany, Poland) the conditions in Slovakia are the best, both as far as real wages are concerned as well as the availability of goods. The wages of employees and blue collar workers have been increased many times, enterprises have certain advantages in obtaining supplies, no way can we talk about any shortage of consumer goods. The Slovak koruna is the best currency on the European markets, at home it enjoys full confidence..." How in fact did the Slovak Republic look from the economic point of view?

[A. Hrsko] Substantially better than any of the neighboring countries. It can be said that the Slovak economists achieved a small economic miracle. But it must be looked at in the light of the conditions under which it took place, and those were relatively good. The First Republic—as I already mentioned—culpably destroyed the economic potential of Slovakia. In the war situation, when Slovakia was far removed from all military operations, that potential was in substance fully restored. It can be said that from 1943 the industrial potential of Slovakia rose approximately by one-half, which represents a yearly increase of approximately 8 percent. And since there was no direct control by the Germans over the entire industry as it was in the Protectorate, the captains of Slovak industry were able to develop their own projects relatively successfully. But we have to keep in mind also the limits on this growth, which resulted from a definite orientation to military production. And that would have manifested itself sooner or later during the transition to peacetime production.

[V. Stefansky] To tell the truth, there is no objective historical analysis of the economy of the Slovak Republic as yet. The data in the quoted report come, according to my knowledge, closest to an objective view. Even

though, on the other hand, they are obviously not the result of profound economic analyses but rather a certain generalization from observed facts. They were certainly not magnified. Simply, the authors of the report, or rather its main author Dr. G. Husak, had no reason to do it. The fact that after the uprising began, during the two-months defense of contiguous revolutionary territory no serious economic difficulties developed, tells much about the economic situation in the Slovak Republic.

[J. Jablonicky] I am not an economist, but I shall try to answer the question: Many social conflicts were being resolved in the Slovak state the same way as is the custom in the capitalist countries—by strikes, expressions of discontent. The economy of the Slovak Republic itself was not so catastrophic that it would have led to serious confrontational encounters. The rationing system guaranteed the minimum for subsistence. At that time the Slovak economy, which was lucky for the regime, was managed by experts (for example, the Governor of the Slovak National Bank, Dr. Imrich Karvas, who was also the chairman of the Main Supply Office, or economist Peter Zatko), who knew how to maintain Slovak financial policy and economy on a solid base. There was no hunger, distribution functioned on the whole, although many goods were in short supply because no foodstuffs could be imported, and Slovakia's contacts were limited to the Reich and several neutral countries. It is interesting that these economists became the economic advisors in the planning of the Slovak National Uprising.

[Kotian] In the past years, any mention of the "so-called Slovak State" was accompanied by a multitude of attributes, "Ludak", clerical, clerical-fascist, fascist. What was the structure of political life in the Slovak Republic? The Slovak Communist Party was outlawed, but in spite of that, according to J. Ch. Korec "during the existence of the Slovak State not a single execution took place because the President did not sign a single death sentence", according to S. Faltan "it was peculiar for Slovakia that Communists were on one hand imprisoned and tortured, but free from prosecution and released", according to the already quoted Report "Gestapo did not arrest a single Slovak citizen in Slovakia during the entire 5 years". What to think about these data? If they are true, do they speak about a democratic Slovak Republic or a massive consensus between the government and the citizens? Or about something else again? Or should we believe the words of F. Vnuk in his interview for LITERARNY TYDENIK: "The Slovak State was not fascist, "Ludaks", they were not fascists, that was a party that represented the democratic expression of the will of the nation"? And the last question: what role did the Church play in the Slovak Republic?

[V. Stefansky] The foundations of the structure of the political life in Slovakia were laid already in November 1938, when the autonomous government dissolved all bourgeois political parties so that their top people could go over to the HSL'S camp, and through their endeavor

the party became "the party of Slovak unity..." The structure of the political system then evolved in relation to developments in the HSL'S, or to put it more precisely, according to the relations between the radical and moderate wings within the party and the attitude of the Hitlerite circles to the mentioned wings, which on the one side were represented by A. Mach and V. Tuka, and on the other by J. Tiso and M. Sokol. At the same time it must be kept in mind that the HSL'S was not ready to build the new state from the foundations up. It was thus forced to keep at least temporarily and in a limited fashion some elements of a bourgeois-democratic political system. But if we take the history of the Slovak State as a whole, we cannot speak about its government other than as an authoritative and undemocratic government which gradually took on the character of a clerical-fascist government. The data contained in the quotation from J. Ch. Korec, S. Faltan, and G. Husak are true. But in this connection it would be a mistake to forget the extermination of 60,000 Jewish victims, as well as the atrocities committed against the fighters in the Slovak National Uprising and the civilian population after the uprising was driven back into the mountains. These facts make the nature of Slovak clerical fascism crystal clear.

And as to the last question, I am not aware that during the existence of the Slovak Republic the Church as such played a purely negative role. It is known, for example, that there were warning voices from Slovak bishops, both Catholic and Protestant, who cautioned the Slovak government as well as J. Tiso that the solution of the Jewish question is not proceeding correctly, that what is being done is against the principles of Christianity and the feeling and thinking of the overwhelming majority of the Slovak nation.

[A. Hrnko] It must also be noted here that a state is always only a state, that the question should have been directed at the nature of the regime of the Slovak state. Today it is difficult to talk about the nature of the Ludak regime, since to this day nobody has made a deeper analysis of it and our historical science has been satisfied only with proclamatory labels. In any case, the regime of the Slovak state had a totalitarian character, that cannot be denied. It resembled analogous unoccupied Balkan states, and those were rated as totalitarian and nationalistic.

Internally, the governing Ludak camp was certainly differentiated to some degree. Represented in the total government structure were groups which can be designated as pro-fascist or fascist (Tuka, Hlinka's Guards), but on the other end of the spectrum were also groups which we could call Christian-democratic. It is necessary to make a real analysis of the whole regime by comparing it with other similar regimes, and only then make definitive judgments. But personally I do not think that we shall arrive at an unequivocal, generally accepted view in the near future. Emotions are still more decisive than a truly rational approach. We should keep in mind that this has been until now the only independent Slovak state. Any mention about a possibility of some new

independent Slovak state is immediately put by opponents of such a solution into an equation: future Slovak state equals past Slovak state; and at the same time they want to tell us that the Slovaks are unable to choose a different regime, only a regime similar to Tiso's regime during the Second World War. Most recently we were served a dose of this sentiment, not very pleasantly, by V. Havel in his talks from Lany following the well-known event in Bratislava. That in turn evokes in the proponents of Slovak independence efforts to defend uncritically the Tiso regime instead of defending their cause by pointing to the absurdity of the original premise.

As far as the status of the Churches during the time of the Slovak state is concerned, that is a complicated question, until now practically unresearched. In any case, it can be stated that it did not play the role that the Communist regime tried to ascribe to it.

[J. Jablonicky] The quote from Bishop Korec—that is the truth. And it is not even true that the State Security Headquarters (USB) was nothing but a Slovak Gestapo. The entire repressive structure of the Ludak regime was totalitarian. Even today we are talking about 20 years of normalizing totalitarianism, and yet there were no executions. Therefore, the only criterion of the regime cannot be the fact whether executions took place or not. But persecution of Communists existed, during interrogation people were treated brutally, there was a concentration camp in Ilava which A. Mach wanted to fashion after the German model, there was a Vodka [Leader] system in place, in other words, the regime was not democratic. The quote about Gestapo applies only from the time of German occupation—until then there were no German occupation or executive agencies. The Germans did not exercise their influence here directly through their own agencies. In some cases the Gestapo "borrowed" prisoners for interrogation, for example to Brno or Vienna, but afterward they returned them to the competence of Slovak justice or security agencies. But after the beginning of the German occupation German agencies arrested, interrogated, and made decisions about the life or death of arrested people. While the *Einsatzkomand* carried out executions directly in central Slovakia (Kremnicka, Nemecka...), the *Sicherheitsdienst* in Bratislava solved the situation by moving the prisoners to Mauthausen. During 1939-44 Slovakia was administered by Slovak security agencies (Gendarmes, police, USB). The months of occupation were already marked by a direct operations of German occupation units. And here is one problem that consumes all defenders of the Slovak Republic—their effort to consider the Slovak state to be the culmination of Slovak struggle for independence. But if that regime was so good, so Christian, why then the Uprising? This partiality for the regime of the Slovak Republic even leads them to denounce the anti-fascist resistance and uprising, for which they have today a free hand given the silenced former court historiography. In a Europe built on democratic traditions and the defeat of German fascism it is something unreal, shortsighted.

[Kotian] The situation in Slovakia changed radically after the outbreak of the Uprising. As Dr. Hrnko insists that the "second big political mistake which Tiso made was to remain in his function after the outbreak of the uprising", a question comes to my mind: was it in fact a realistic option? And how to understand his words that "although it is true that it helped to save many Slovak lives and perhaps also national property, in the given situation more thought should have been devoted to the future of the nation", when we know about Klak, Nemecka, Tokajik, and other crimes of the German fascist army and the POHG, the solemn mass in Banska Bystrica? Although we want to devote a separate round-table to the question of the Uprising, we cannot avoid touching upon it now.

[V. Stefansky] I do not wish to finish or explain Dr. Hrnko's conclusions for him. It would not even be right. To my mind, before we start making deductions about where Tiso would have been more useful, we need to keep in mind the concepts of the planned uprising submitted by the Military Headquarters of the Slovak National Council and the Minister of National Defense of the Slovak state, Gen. F. Catlos. Here we should first of all emphasize that not one of these concepts, which moreover were very similar, assumed that the uprising would be a long-term military affair, which from the military viewpoint was correct thinking. The substantial differences among them rested in the political approach. The Military Headquarters of the Slovak National Council in accord with the Christmas Agreement expected the renewal of the Czechoslovak Republic as a state of two equal nations. In contrast to that F. Catlos was unequivocally in favor of preserving the Slovak Republic, its internal arrangement to be decided in Slovakia following an agreement with the Soviet Union. What is most important in this connection, however, is that Catlos by allusions acquainted even Tiso with his conclusions. But when he found out that the President did not intend to "betray" Hitler and consent to contacts with the Soviet Union, Catlos decided to act on his own. How it all turned out, although through no fault of his, is generally known.

Tiso then could have fundamentally changed the course of the uprising and contribute to a speedier passage of the front across Slovak territory, and then we would have seen in another light even the mentioned saving of human lives and the protection of national property. It would not have been in fact at all necessary then to provide that "God-pleasing" service to the nation.

[A. Hrnko] I do not know whether Tiso's resignation was a realistic option, but I think that it would have brought great benefit for the Slovak cause—and for him personally as well. It would undoubtedly have cost many more victims, because it was after all Tiso's government that in a certain way prevented excesses not only on the domestic (Guardist) but also on the Nazi side. Not even during the Uprising can the regime of the Slovak Republic be considered to have been a monolith. It was mostly at the instigation of the Nazis that the most

fanatic groups of Guardists—POHG with O. Kubal at the head—began to be organized. And it is true that Tiso personally and his government as well did everything to prevent these groups from becoming an independent political-police force. I still think, however, that if Tiso had resigned it would not have been possible after the war to connect the idea of an independent Slovak state with something criminal, as the National Tribunal did. That it had an unfortunate impact on the entire 45 years of our postwar life I do not have to emphasize.

[J. Jablonický] That is basically a question about the possible abdication of President Tiso. Until August 1944 Tiso represented the more moderate wing of the HSL'S, and there was the prevailing idea that he was preventing a more radical application of the Nazi national socialism: that he was moderating the regime by granting pardons (for example to deserters from the Eastern Front). Although the Vatican criticized him on the Jewish question, the Church never asked him to abdicate (in contrast to some priest-legislators, whom the bishops asked to give up their parliamentary mandates so that they could devote their full time to their pastoral activities). It is sad that precisely during a brutal war, at the side of Hitler's Germany, the president of Slovakia was a Catholic priest. Similarly, the entire government which was created in September 1944 (its Premier was Stefan Tiso) was approved by Germany, although J. Tiso also pushed through some of his own ideas there. After that it is precisely President Tiso who bears the main responsibility for collaboration with Nazi Germany. It must be frankly asked whether this policy was followed for the benefit of the Slovak nation.

The postwar constellation of Europe was based on the defeat of fascism. Also defeated was the Ludak regime. From that a lesson should be learned if not by the defenders of the Slovak state then at least by the Slovak nation. After all, in Slovakia several generations were born and grew up which are neither responsible for nor connected with that regime. And here we have an anomaly: the totalitarian Communist regime fell and talking about Communist totalitarianism are those who today defend the totalitarian regime that preceded it.

[Kotian] Is it then at least possible to try and answer a very simplified question: What kind of a state was in fact the Slovak state? What in it should be rejected, what should be reevaluated, and what could indeed even serve as inspiration? Of course, Slovakia in 1990 is different from the Slovakia in 1939...

[A. Hrnko] The question is badly put! The state was a normal state. It had its president, it had its government, its parliament, it had its organizational structure up to the district level, its foreign representatives, etc. The question should have been directed at the regime. (With a question about the regime I would not think twice about any possible continuity—comment by R.K.) We should now begin to realize the difference between a state and a regime. A state, as I already said, is an organized community of people, and a regime is what

these people elect or what is forced upon them. Well, and when we look at the geographical position of Slovakia, Germany's power, and Hungary's rapacity, we must say that the Slovak state had the kind of regime that it could have within the given spectrum of power politics. It is of course necessary to condemn everything negative that this regime committed, but at the same time I think that we should also appreciate what it prevented. Historiography cannot take upon itself the role of judges and prosecutors, but must analyze and explain events. And do it *sine ira et studio*. Responsible for the good and the bad are not states or nations, but people who rule and lead them.

[V. Stefánský] In my preceding answers I more or less tried to answer this question, even though, as I am aware, not in an "exhaustive" way, because that ultimately is not even possible. The research into the individual areas of the life of the Slovak Republic has been to this day more than fragmentary. We are most aware of that when we are asked to answer many questions connected with the history of the Slovak Republic which are being given a wide berth.

It seems to me that the views on this period of our national history are at present, more than at any time previously, "generationally" very different. In this connection it may not do any harm to look at what the view of the Slovak state was in its day. In the already quoted report of Slovak Communists from July 1944 it was written: "...this state has independence, such as is possible for a small nation, and such as is possible during a war... The regime manages its own internal affairs by itself. The German influence is great, but at the same time not such that the independence would be only a dumb mask... If this state had a different content and was led by another regime, not even speaking about different allies, there would be no objection to it from the Slovak point of view. It is not surprising that among honest people arise very serious impulses to change the regime, give the state a social content, but retain the state. We say that for completeness' sake, so that it would be clear that London (meaning Benes's government in London—comment by V.S.), which is aiming its fire at the state, its independence, and thinks that it is thus aiming at the regime, is missing the target. It is a matter of a specific judgment and desire of the nation in what kind of state form a given nation is to live, but the form of the state, territory, language and the political regime are two different things."

What to reject, what to reevaluate? I believe that new research by Slovak historians will give adequate answers to these questions in the foreseeable future. As far as inspiration or search for a possible connecting link between the first and second Slovak Republic is concerned, I would leave that to today's Slovak politicians. To provide some kind of blueprint in this respect is not the role of historians.

[J. Jablonicky] If you have in mind the Slovak Republic that existed between 1939-45, for me it is neither inspirational nor attractive. However, I do not deny part of the governing group its honest conviction and effort to create Slovak statehood, so that Slovaks could make independent decisions in Slovakia about economic and political matters. It was, however, a child at whose birth Hitler was present, and it had all the earmarks of a state without sovereignty, subordinated to Nazi Germany. It was not, however, a historic, fateful inevitability for the Slovak nation.

Marian Calfa's End of Year Statement

91CH0225A Bratislava NARODNA OBRODA in Slovak
20 Dec 90 p 3

["Text" of statement by Marian Calfa: "Benefits Only to Our Children (?)"]

[Text] A year is actually a short time but for Czechoslovakia the year that is now ending meant a lot. In this connection, I would like to give some examples.

We have gradually deciphered what our economy actually is like. We have been gathering information, and few would believe what problem it is to get accurate information about the state of the economy. We also tried to begin constructing models, to determine which way to go. In the government of national understanding two concepts came into conflict, and although a single working group was formed in the government, gradually it became obvious that there were in fact two.

At the same time, we have been introducing the new Czechoslovakia to the world—to the United States, Europe, the European Community. This was of great importance, and is now bearing fruit.

The third case in point were the deliberations about the future political system of the state, the drafting of election laws and basic political laws, and making preparations for the elections.

Following the elections not only has a new coalition government emerged but also new structures in the highest state agencies, and we elected a president. After a brief vacation, the political life was under way again with a new intensity. On the table was the question of jurisdictions, which proved to be exceptionally complicated. The machine tool and electrical engineering departments have been transferred to the jurisdiction of the republics already since 1 July. We originally agreed on the idea that further transfer of jurisdictions will be worked out in conjunction with the constitution, for which we were to have two years, but life brought changes and we wrestled with the transfer of jurisdictions practically for the entire last six months of the year. Concurrently with that we were drafting laws which drew on the work of the first 6 months. People were already becoming impatient, and there were many complaints that nothing is really happening. We prepared about 40 draft laws which were discussed sequentially in the

Parliament. The end of the year was devoted to the finalizing of the question of jurisdictions, and to the creation of a legal base for the economic reform.

I am not going to go into details about what effect the international political situation had on our Republic—the monetary union and reunification of Germany, the crisis in the Persian Gulf, the problems in our economic relations with the Soviet Union which became acute particularly in the last six months, and how difficult it was to deal with the consequences.

We acquired new knowledge and experiences. I think that we succeeded in dismantling the local power structures which were linked to the economic structures. Both elections and the economic laws, such as was, for example, the law on small privatization, changed the face of Czechoslovakia in the political, governmental, as well as economic, spheres.

The year 1990 was, of course, also the year of recognizing the mistakes we made. I think that we should have dealt more forcefully with the dissensions in the government's economic working group, which was a group of one color, the group of the Civic Forum in the first government. For example, we could have arrived at the small privatization more resolutely and sooner.

Personally I think that it was also a mistake to set the election period at two years. That is too short a time, the country will be actually in the worst state in two years, and elections will be held in the middle of it all. The pre-election campaign will undoubtedly show signs of populism, there may be indications of a tendency to install an iron-fisted regime to establish order. To my mind, the election period should have been set at four years, so that after an initial decline we could also show improvement, catch a second breath. The third mistake, in my opinion, was to link economic reforms with jurisdictions other than by removing from the central management everything that impedes reform. We should not have been thinking about whether something should be in the jurisdiction of the federation or the republics, we should have considered whether it needs to be managed by the state or not.

What is awaiting us in the year 1991?

Definitely an increase in unemployment, merciless and final bankruptcies of some factories and enterprises, price increases, inflation... It depends very much on how people will react, because social unrest is possible. These are matters which will be in the minus category not only in 1991 but also in the year after that. But these are birth pangs that are necessary to endure in order to liquidate the economy we have had here for 40 years. It is a surgical incision which hurts but without which we cannot begin the healing process. I would like people to feel and understand that although for a year or year-and-a-half we shall go down, it will only be in order to be able to lift ourselves up. We shall experience hard times, but we shall also experience good times. There will begin a great differentiation among people; I am convinced

that there will be very successful people here because our human potential is rich. But there will be also those who perhaps were quite well off until now and will no longer be then.... Unfortunately, people here still are not willing to realize what is waiting for us. We are talking about it, pointing it out, warning, but until it all fully affects a specific individual, they are not willing to admit it to themselves. The danger lies in whether they will then be able and willing to accept this harsh situation, realize that the benefits will only go to our children. The vision of the coming year is not the best, there are many unknown quantities there, but the healing is necessary, absolutely unavoidable. The government will unfailingly perform all the functions of the highest agency of executive power in order to restore the sick economy to health, and we must not stray from this path or we shall not succeed. This year we encountered many stumbling blocks, not infrequently we found ourselves at the brink, but I believe that we shall find our way out of it all. Therefore I am also unwavering in my belief that the common state of Czechs and Slovaks, that is, the Federation, will be preserved. I am certain that there exist no such forces that could break up this common state, and that if, God forbid, the situation comes to such a dangerous pass, this state will find a realistic instinct of self-preservation and will successfully defend itself. At the same time I firmly believe that we are beginning to build a modern, prosperous state which will create for its people an environment comparable to what we see beyond our Western borders.

Leader of Center Right Deputies Clarifies Stance

91CH0228A Prague FORUM in Czech 18 Dec 90 p 16

[Interview with Daniel Kroupa, chairman of the Interparliamentary Club of the Democratic Right, by Jan Vavra; place and date not given: "We Have Few Values Which We Should Preserve"]

[Text] Among a number of followers of OF [Civic Forum], a rightist orientation is quite popular. Perhaps this is a reaction to decades of government by a leftist system; perhaps this trend has something to do with the changes on the world political scene.

Of course, despite all sympathy for Anglo-Saxon rightist politicians, our concept of the right is far too foggy and vague. This was one of the reasons we sought out Daniel Kroupa, chairman of the Interparliamentary Club of the Democratic Right, and one of the few personalities which it has been possible to politically profile in recent times.

[Vavra] How did you come to be in politics in the first place?

[Kroupa] Originally, I studied electrotechnology, but it ceased to be entertaining thanks to the fact that, at age 16, I encountered philosophy. I began to study the works of the classics on my own and desperately looked for someone who could advise me in this area. Then, in 1968, at a public lecture, I found Professor Patocek and

asked him whether I might attend his lectures. He agreed and always, when he called on me, he asked: "Is that electrotechnician here?" With the passage of time, he began to act toward me like he would toward a regular student and even assigned some seminar work to me. I worked in lectures and seminars, etc., for Professor Patocek until 1976 when, for family reasons, I was compelled to interrupt my participation. We agreed with the professor that he would initiate another seminar in 1977—a seminar which, in the end, was called Charter. So for me, signing the Charter does not mean any kind of particularly difficult decision. In 1977, Professor Patocek died and at his funeral I realized that he left behind a tremendous spiritual legacy. At the same time, I realized that this spiritual legacy also has a lot of enemies—some directly physical enemies. At that time, I took it upon myself to try to pass on his ideological legacy to the next generation. I initiated a philosophical seminar. I set myself very high goals to help young people acquire the kind of erudition necessary for study and for the processing of this ideological heritage. Of course, this required an understanding of Patocek's teachers—Husserl and Heidegger, and, as is known, these are very difficult authors. So, I took on a far greater task than I was able to master. Nevertheless, the end result was that a seminar came about which, in its first wave, lasted about six years and through which several tens of young people passed. After the first seminar, in which I acquired a certain amount of experience, I attempted to organize a kind of philosophical university, in which many other lecturers would participate, for example, Martin Palous, Dr. Sousedik, but also a number of other colleagues; a university which was attended by such commuters as professors from Oxford University, from the Sorbonne, and from other world universities. Tens of students passed through additional training cycles. I believe that these students were worth it. Many of them actively participated in the events surrounding 17 November, be it at the university or outside of it.

[Vavra] What practical significance is there in philosophy anyway for current life?

[Kroupa] A philosopher is recognized by the fact that he is capable of admitting his own ignorance. He is capable of doubting the very foundations of his own thinking and action. However, I would hate to create the impression that a philosopher is some kind of constant doubter and a hesitator. My concept of philosophy also includes the capability of standing behind what is called a recognized truth, complete with the determination to bring about this truth. In this respect, I consider T.G. Masaryk to be a great philosopher because he was such a practical philosopher who managed to entertain such very radical considerations and doubts, leading to the very roots, but who, at the moment it was necessary to act, did not hesitate and acted. Thanks to this, he was successful in that historically unique act which was the establishment of the republic.

[Vavra] How does a philosopher become a politician?

[Kroupa] As a result of the situation. As soon as he finds himself in a situation in which he is forced to act and must prevail as one who acts. If, in such a situation, a philosopher does not begin to act, he is not a philosopher, but merely a blatherer.

[Vavra] Could you define yourself as a politician?

[Kroupa] In political terminology, I would designate myself as a neoconservative or classical liberal. With certain corrections. I am not enamored of the individualistic concept of freedom with which the majority of liberalism operates. I believe that freedom must be understood as a social phenomenon. Apart from metaphysical and abstract freedoms, there is a freedom which is forgotten and which man does not lose by entering into society. This we can accord each other mutually. For example, by my knowing that you are now letting me speak and that I then let you speak. In the political arena, this kind of freedom is based on mutual respect and esteem for the difference of the other person. In a small version of society, for example, in the family, it is the freedom provided by mutual love, which rests on a determination to take each other as we are and to make it possible, one for the other, for each of us to be fully themselves. A person does not lose such freedom by entering into matrimony; rather, he gains it. Yet, everyone knows that a marriage can degenerate and become hell. The same is true of a political society. This is my small correction involving the concept of European liberalism. It is small, but, I believe, it has far-reaching consequences. It can be used to explain not only a political, but also an economic and social model of society. If people are not mutually apathetic, it results in a concept of responsibility, which I am attempting to contrast against the concept of social justice. The concept of social justice is actually nonsense. To take from the rich and give to the poor! We should have to know how much. The fact that every citizen, every member of the nation should feel coresponsible for the others and should share in providing mutual assistance must be talked about. This can succeed only if society, which is fractured by the totality of events and which is "atomized," begins to somehow internally structure itself; whether not only communities, but various clubs and various associations begin to form where people will meet and where this mutual solidarity ceases to be an abstract concept and begins to become something that people feel naturally.

[Vavra] What are the basic values of a conservative?

[Kroupa] I prefer to use the concept of a neoconservative or of neoconservatism and I perceive it as an avowal of the traditional values of European civilization and its traditional institutions. I have already spoken about one of them. It is the family; but another is the nation or religion. I believe that the nation is a value which must be considered. It is a very important value. I am opposed to abusing the national awakening to promote nationalism. I am opposed to abusing national understanding and sympathy. This year, following the elections, at the

conference in Denmark, I observed that a frequent phenomenon was the fact that in the rural areas people had a mast next to the house from which a small Danish flag hangs. I asked myself how would people in our country perceive this if someone here did the same? He would be ridiculous. This goes precisely to illustrate the fact that here the value of the nation has fallen into oblivion. In this respect, the Slovaks are right. Only, in Slovakia, it is precisely the opposite danger that threatens. The fact that people need their own sense of nationhood and are not capable of seeing its cultural goals causes them to seek redress in some kind of political fortification. This threat of nationalism in Slovakia seems to me to be the result of a certain national weakness. We have spoken of the family and of religion. Ronald Reagan frequently added the community to this lineup. Margaret Thatcher, on the other hand, considers the value of relying on oneself to be highly positive.... This is typical of Anglo-Saxon neoconservatism—this accent on independence.

[Vavra] How is it with our national values?

[Kroupa] We have very few values which we should preserve; the majority of them were broken down over the past 40 years; but there are traditions here which we can tie into with quite a bit of pride. One such, which is not forgotten, concerns the perception of the nation and the language. This was already brought home to us by Cyril and Methodius. In those days, language meant the same as nation. They defended the idea of national rights. This was the first European attempt of this type. The Czech tradition includes a certain degree of popularity, of civility. The Czech nation was regenerated from the lowest social strata, so that here the nobility never played a significant role. We can regret this, we can feel sorry because of it, but it is an absolute fact. It is a component of our understanding and vision of the world. It also includes a certain degree of dislike for anything which smells of excessive pathos and a dislike for any kind of ideologies. Czechs were never enthusiastic with respect to anything for the long run. Even communism ceased to entertain them very soon. They confronted it with Svejism [reference to Good Soldier Svejk]. A strong social feeling could appear to be a certain national tradition.... That which passes itself off as a social feeling is actually social irresponsibility. A person who calls on the state to assure all the needs of a certain stratum is not a person who has overly social feelings. He does not wish to care for these people himself. He wishes to be rid of this responsibility. But in a society it is necessary to awaken this feeling of care in such a way that people might be capable of creating their own institutions. The state is a certain institution which, however, does not preclude the arising of additional institutions. A state, which becomes overly atrophied and amasses tasks for itself which, in the true sense of the word, are not its responsibility must enslave the citizenry so as to squeeze resources out of it regarding which it then makes decisions. It must arrogate to itself broader jurisdictions. People then complain that the state

oppresses them. That which is expended for social feeling is the exact opposite. It is an effort to be rid of social feeling. I do not believe that a society which has all such problems solved for it by the state—even though this may occasionally succeed in an unpretty manner—is a healthy society. I would definitely not feel well in such a society.

[Vavra] What do you say to the concept of a social market economy?

[Kroupa] It represents an effort to work something social into a market economy. In actual fact, this conceals the concept of a market controlled by the state. This means a state which makes administrative incursions into the market—it takes from the rich and gives to the poor. In other words, a concept of the state as articulated by Janosik [a legendary Slovak folk hero].

[Vavra] What should be the role of the state?

[Kroupa] In the economic sphere, clear rules which apply to everyone must be established and these rules must be guaranteed. Any further incursions into the market are undesirable. It is sometimes possible to justify an emergency situation. But a so-called wartime economy is always dangerous and it is very difficult for society to extricate itself from it. This could be observed during the postwar period in Europe.

[Vavra] What was the impetus for the origination of the Interparliamentary Club of the Democratic Right?

[Kroupa] There were a whole series of impulses. One of them was the fact that opponents of economic reform found themselves in leading functions in the parliament. Actually, we were united by the struggle in the appropriate committees and at plenums dealing with the prosecution of the economic reform—in other words, of the government variation. It would be a shame if we were to disband. We knew that a whole series of laws had yet to be approved and that each one will necessitate a struggle. That is why we attempted to organize ourselves in a better manner and not only in the Federal Assembly. A similar process was ongoing within the Czech National Council, independently of us. We came to an agreement and established the Interparliamentary Club of the Democratic Right. Its mission also includes facilitating communications between the legislatures. We were not successful in establishing closer contacts with the Slovak National Council; among others, this was also because the situation in Slovakia is a lot more brittle than it is in the Czech lands. The political coalition is balanced in a highly complex manner.

[Vavra] What weight do you ascribe to the economic reform?

[Kroupa] Economic reform is important in and of itself and if we do not implement it rapidly, we are threatened by the spontaneous disintegration of the economy. If property is not successfully and rapidly privatized, then

people will steal it and society will sink into chaos. The path of uncontrolled privatization is a path which is highly doubtful.

[Vavra] Should the OF become a political party?

[Kroupa] A political party should exist which would recognize the values which are recognized by the OF. How to transform the OF into such a political party or more such parties, that I leave open. Society requires two or at most three political parties which will be open to such an extent that they will not have a tradition of bad party reputation, but will be closed to such an extent that legitimacy, democratic elections, and a certain ideological agreement will function. In certain areas, these political parties must profess the same values with respect to political culture. The citizen will then not need to fear that, in the event he votes for an opposition party, the entire system would fall. Today, I am afraid that if we voted for the opposition, the consequence would be the disintegration of democracy. The people have feelings of depression over the fact that the OF is the sole sensible force in society and that the other parties are not capable of offering even solid political programs nor an adequate number of credible personalities. This is the situation with which we will have to come to grips by the time the next parliamentary elections are held.

[Vavra] How do you regard the various expulsions from the OF?

[Kroupa] Intolerance is beginning to be talked about when an indication is provided that former Communists will be expelled. If a Communist is not elected in democratic elections to some kind of commission, this gives rise to alarm. If a delegate who was never a Communist is not elected to a commission, nobody pays any attention. Perhaps some people are afraid for intolerance to begin spreading throughout society. At the same time, we should be just and we should see things in their corresponding proportions. I was one who was always opposed to expulsions. One should not succumb to such campaigns and vigilance and common sense should be preserved. To the extent to which this question is aimed at finding out whether I believe whether certain components should or should not be part of the current Civic Forum, this is a question of agreement. I am surprised that the Obroda part of the OF or the LA [Left Alternative] have persisted here, even despite the fact that the election program of the OF can by far not be called a socialist one.

Idea of Common State Tied to History, Values

91CH0214A Prague LIDOVE NOVINY in Czech
22 Nov 90 p 8

[Article by Pavel Kalensky and Alis Wagner: "Proper Relationship: More on the Past and Future of the Relationship Between Czechs and Slovaks in a Common State"]

[Text] The discussions and polemics on the structure of our common state which have been taking place since the beginning of this year, and which are concentrated primarily, not exactly appropriately, on the relationship between the Czechs and the Slovaks, often distort the historic, sociological, as well as political truth. In our article we offer several comments on the birth of our state and the question of the right to self-determination, as well as on the question of the nationality principle as a base on which our common state is to be built.

In various speeches and newspaper articles there is manifest an effort to portray matters as though in the past it was not possible for the Slovak nation to realize its right to national identity and thus to exercise its right to self-determination, or, in another version, that it first exercised this right at the time the so-called Slovak State came into being in 1939.

We are not professional historians but lawyers concerned mainly with international law, but it is precisely the legal as well as historical circumstances of the creation of the so-called Slovak State that indicate that this was qualitatively something else than the exercising of the right to self-determination. Such faulty interpretation is actually in agreement with the official position of the Tiso regime, with which no sensible person can identify. No one certainly doubts that making the existence of the Slovak nation visible on the international scene was accomplished by the Nazi policy aimed against Czechoslovakia, and that from the viewpoint of international law it was from the very beginning an invalid act. The same is true of the creation of the Slovak State from the viewpoint of the Czechoslovak constitutional law.

And if there is further, not infrequent, talk about the disappointment of the Slovak nation which was supposed to have taken place shortly after the creation of our new democratic state, then this is also a very one-sided allegation that moreover conforms to the former Tisoist position. After all, did the Slovak representatives in the parliament of the First Republic hold such a position? It was not held by Srobar, or by Derer, Hodza, or Hlinka, but only maybe by Tuka and his like. Is it not well-known, after all, how much effort the Czechoslovak Republic dedicated to the general interest, and not only to the cultural and educational elevation, of Slovakia after 1918?

There is also frequent talk about the noncompliance with or the discrepancy in the original agreements between the Czechs and the Slovaks arrived at toward the end of the First World War. May we be permitted to quote a witness who is certainly qualified, that is, T. G. Masaryk, who in his book "Svetova Revoluce" (Published by Cin and Orbis in Prague 1925, pp 162-163 [as published]) [An English language version, arranged and prepared by Henry Wickham Steed, was published in the United States under the title "The Making of a State" in 1927 by Frederick A. Stokes Co. The corresponding passage appears on pp 220-221] says verbatim: "The other important negotiations took place in Pittsburgh between

Czechs and Slovaks. There, on June 30, 1918, I signed the agreement (the "Czechoslovak Convention"—not a treaty) concluded by Czechs and Slovaks in America. This agreement came about in order to appease a small Slovak faction which was dreaming of God knows what sort of independence for Slovakia: The idea of some Russian Slavophiles, and of Stur and Vajansky had taken root also among the American Slovaks. Counter to that, our Czechs and Slovaks agreed upon the Convention which demanded for Slovakia its own administration, a Diet, and Courts of Law. I signed the agreement without hesitation, because it was a local agreement between American Czechs and Slovaks: The signatories were American citizens, only two were not American citizens (some signatures were added without authorization later). The Convention contained the provision that legal representatives of the Slovak people will settle the details of the Slovak political problem themselves. Similarly, I stated in our Declaration of Independence that the Declaration is only an attempt to characterize our future Constitution, and that the final form of the Constitution itself will be decided by the legal representatives of the people. And that was done when our Constitution was adopted by the Czechs as well as the Slovaks. Thus the representatives of Slovakia declared themselves in favor of a complete union, and this allegiance to the Constitution binds not only the Slovaks, but also the Czechs, and, of course, me as well. The representatives of Slovakia declared themselves in favor of this union on 30 October, 1918 in Turciansky Sv. Martin, and before that on 1 May 1918, that is, prior to the Pittsburgh Convention, in Liptovsky Sv. Mikulas. The union is the main point—the demand for autonomy is as justified as the demand for centralism, but the main task is to determine the right relationship between the two." So much, then, T. G. Masaryk.

As far as the idea which is now being called by some damaging or unfortunate is concerned, that is, the idea of a unified Czechoslovak nation, it is a fact that this idea benefited Slovaks as well as Czechs, and not only at the time of the birth of the Czechoslovak state in 1918.

The fact that the so-called Czechoslovakism was not only a Czech idea is attested to by, among other things, the Turciansky Sv. Martin Declaration of 30 October 1918. It states in particular: "Representatives of all Slovak political parties, gathered on 30 October 1918 in Turciansky Sv. Martin and organized into a National Council of the Slovak branch of the unified Czechoslovak nation, insist on the principle of the right of self-determination of nations, accepted by the entire world... Only the Slovak National Council therefore has the right to speak in the name of the Slovak nation in Slovakia... The National Council of the Czechoslovak nation living in Hungary declares: 1) The Slovak nation is a part of a linguistically as well as historically and culturally unified Czechoslovak nation. In all the cultural struggles that the Czech nation undertook and which made it known all over the world, the Slovak branch also participated. 2) For this Czechoslovak

nation we, too, demand an unlimited right of self-determination on the basis of total independence..."

And no matter whether someone today feels to be a Czech, a Slovak, or a Czechoslovak, which, with a view to historical developments, we should tolerate and not make it a subject of petty dissensions that can only harm the Czechoslovak people as a whole, it is much more important to see in the concept of Czechoslovakism a consciousness of belonging to our common state. Here are not only Czechs and Slovaks, Moravians, Silesians, Hungarians, and Germans, but above all we are all here as Czechoslovak citizens, the Czechoslovak people.

If the Slovaks, who also governed in the Federation and in the CPCZ [Czechoslovak Communist Party], and who were assigned an entirely disproportionate part of the budget, were disappointed, were then the Czechs, whom the Slovaks consider to be the source of all evil, satisfied? But what would such recriminations be good for today? Undoubtedly they can serve only to unleash undesirable chauvinistic passions.

In his noteworthy paper, "Frantisek Palacky and Czech politics in the 19th Century", presented in Chicago on 2 April 1967, Frantisek Schwarzenberg said, among other things:

"Chauvinism, nationalism, consists in the identification of an individual with an ethnic group; it elicits pride in belonging to a national group, but it also often leads to contempt for members of other national groups, even if they are fellow citizens of the same state.

"It is self-evident that emphasizing a common denominator, especially an ethnic, national, or linguistic one, logically leads to the demand for exercising the right of self-determination based on ethnicity. In the case of our state it could mean the so-called "Swiss" solution, which was considered, among other proposals, at the time of the establishment of the Czechoslovak Republic, or it could lead to the exercising of the right to self-determination of Germans settled in our country only after separation from the Czech state.

"Patriotism, on the other hand, emphasizes common domicile in a geographically defined political configuration, such as was the Kingdom of Bohemia in our case, and on a broader scale a possible United States of the Danube basin without regard to language or ethnic heterogeneity. It is clear that patriotism thus understood makes it possible to hold together ethnically heterogeneous political units, as they were created here during the course of history, without friction among the national components within the same state. This frame of mind, this love of the entire homeland and all its citizens is an emotional complement of all that is the substance of the historical laws of the state. It was always the main motivation of the Czech nobility. Nationalism and patriotism need not be mutually exclusive, of course. It is certainly possible to feel a special attachment to one's own national group and at the same time love the

native country as a whole. But if nationalism deteriorates into contempt or even hatred of other national groups, then of course there is no more room for patriotism. Then inevitably follow discords of the kind that in the past broke up the Austrian union and later also contributed to the break-up of Czechoslovakia."

F. Schwarzenberg then continues: "Palacky, who spent part of his youth in Slovakia where he became friends with Safarik and Kolai, certainly wished that the ties between Czechs and Slovaks would become more than mere emotional ties. Undoubtedly he felt very intensively that Czechs and Slovaks belong together. He certainly did much for the maturing of Czechoslovak solidarity and the deepening of the today often forgotten Czechoslovak national feeling." (*Czech Nobleman Frantisek Schwarzenberg* (Vl. Skutina), published by ROZMLUVY of Alexandr Tomsky, Prague 1990, p. 220-221).

These thoughts have, according to our judgment, a more general validity and can be applied today to the forming of a Czechoslovak democratic statehood. That means, not to put too much stress on the national principle which can, considering the internationalization of today's world and the European integration processes, act as an anachronism, but also to properly recognize patriotism as the belonging of all inhabitants to a "geographically defined political entity," which is the Czechoslovak state.

The entry into Europe is inseparably connected with a free movement of peoples, freedom to settle and work in any state belonging to this united Europe. All inhabitants of this state, not just Czechs and Slovaks, without regard to nationality, must enjoy the same rights, the same status, and the constitution should in no case give cause for thinking that who is not a Czech or a Slovak is actually not at home in this state. What will Czechoslovak patriotism of residents who are not of Czech or Slovak nationality consist in, if we shall continue to proclaim in the spirit of the legacy left here by the Stalinist and Brezhnevist vice-regents, that we are a state of Czechs and Slovaks? In our judgment we cannot continue on this road.

HUNGARY

Detention Camp for Border Violators Established

91CH0253B Budapest TALLOZO in Hungarian
7 Dec 90 p 2334

[Narrative interview reprinted from UJ TER-KEP 28 November 1990 with border guard Lt. Col. Dr. Janos Szalontai by B.B.; place and date not given: "Rather Like a Sanatorium Than a 'Concentration Camp'"—first three paragraphs are UJ TER-KEP introduction]

[Text] Barely more than a month ago we would not have believed that we were knocking on open doors when we raised the idea of a "detention camp" as a realistic possibility. We did so at a time when we could not have

guessed, even on the basis of unconfirmed rumors, that the Ministry of the Interior had specific plans by which to resolve the adverse situation at the western borders. So here it is: In early October the camp was opened; moreover, this newspaper's reporter was virtually among the first to be admitted to this "artistic" institution modestly called "temporary quarters." But it is not a "concentration camp."

Our imagination conjured up many things during the hours my photographer colleague and I had to wait before we got into the car of our host, Border Guard Lieutenant Colonel Dr. Janos Szalontai. But I must admit that we were disappointed. This is not what we expected to see. Based on previous experience, and things seen in the movies, we expected something awful: barbed wire fences, barricades, spotlights, and guards with submachine guns. [The reason for this expectation is that] a year ago, for a few hours, this writer was a guest in an Egyptian detention camp which had an atmosphere similar to the camp described in Alan Parker's *Midnight Express*.

What we saw was more reminiscent of a cozy recreational facility than of a building in which people are held captive, in one way or another. This observation of ours was confirmed by Lieutenant Colonel Szalontai as soon as we stepped out of the car.

[Szalontai] Captivity is not involved at all, we are only detaining persons. The people brought here are not criminals—criminals are subject to further processing. We have foreign citizens here who are unable to establish their identity, who stay in this country with an expired permit or illegally, or who were returned from Austria and are here following a not too pleasant deportation proceedings. Why should we add to their troubles? None of them stay here longer than the 72-hour period, the limit established by the international agreement; most of them are allowed to move on the day they arrive. Following identification processes and a medical examination, they take their places in dormitories. They are free to move around within all the dormitories, and if they wish, they may go to the courtyard. True, they must be escorted in order to do so. We provide transportation on a daily basis. We transport the Romanians to Biharkeresztes, while the rest go to the border station closest to their respective countries. We provide three meals a day during their stay. Quite naturally, we give maximum consideration to religious dietary restrictions. They take along a cold meal upon leaving.

[B.B.] Who foots the bill for all this?

[Szalontai] The state does unfortunately, i.e., the taxpayers, we do. Quite naturally, those who leave do not have to take advantage of our services. If they arrived in their own cars they may leave with those cars, but if they have money they may take the train, the way they prefer. There is one rule, however: They must leave the country within 48 hours, otherwise they will be subject to more severe consideration.

[B.B.] Have you ever had repeat visitors?

[Szalontai] Not yet, it does not pay. We tolerate their situation to a maximum extent. For example: We never take the Romanians all the way to the border, we let them go a few kilometers before we reach the border so that they may return home without suffering adverse discrimination.

[B.B.] How many are presently at the camp?

[Szalontai] At this moment there are 20 people here, 11 Romanians, five Lebanese, one from Ghana, one from Angola, one from Poland, and one Austrian citizen. Some 250 persons were here during the past few weeks since the camp opened on 8 October. In addition to members of the nations mentioned before, we had people from Sudan, India, and Turkey. Some crossed three or four green borders before they got here.

[B.B.] When we arrived here we saw three dark-skinned men—presumably Arabs—descend from a small bus. Could we talk to them?

[Szalontai] Of course, if the interpreter is here already, and if they are willing to talk to you. The only thing I request is that you do not take pictures of them without their permission.

Lacking an interpreter we were unable to talk to the Arabs. Instead of them, however, we talked to the spokesman of a larger Romanian group, who did not appear to be overly distressed. But when it came to taking pictures he understandably turned away. Apart from that he only confirmed our hunch. We will not find anything that is particularly sensational here, aside from the fact that we were able to get in here. The spokesman told us that they left for Germany without visas, but were stopped by the police in the first Austrian village. The gendarmes were called in by enthusiastic local people when the Romanians asked for directions. They arrived at the camp less than a day earlier, their initial fears dissolved fast; everything went well. They received food and beverages, the toilets were cleaner than in a Romanian hotel, and the guards—armed only with a black-jack—were humane.

They departed for the return trip in their own car in the afternoon. His face showed sadness only when we asked whether they will indeed return home from here, or if they will make another attempt elsewhere.

The response was not too convincing.

"One never can tell."

Denes Joins Independents, Blasts Capitalists

91CH0253F Budapest REFORM in Hungarian
30 Nov 90 pp 12-13

[Interview with former Hungarian Democratic Forum (MDF) Representative, presently independent Representative Janos Denes by Attila Samu; place and date not

given: "An MDF Representative Is Going To Throw Up"—first two paragraphs are REFORM introduction]

[Text] Hegedus, Grosz, and Marosan were not taken to court.—"I regard the taxi drivers as people who were had."—And why was the failed Sandor Nagy exalted?—Janos Denes is also asking how come "Mr." Bajtai was promoted; two weeks ago he was still a Bolshevik who was seeing red.

Reports of the 60-year-old MDF [Hungarian Democratic Forum] Representative Janos Denes' move over to the independent faction of the parliament last Monday did not come as sensational news. He did not become a traitor to his party, but he feels that he must speak out, and what he expresses in this article is like a ticking time bomb.

[Denes] Very simply put: Things for me were becoming impossible, and I had no other choice but to risk my own political self-annihilation and to take a seat among the independents. I am leaving the MDF parliamentary faction, not the MDF or the MDF board of directors. You may think whatever you wish concerning the rest, but I want to make clear that I am not escaping from a sinking ship. This government will not fail, irrespective of the extent to which certain elements would like it to fail.

[Samu] That's what you say. In summary, how do you justify the changing of seats?

[Denes] Somebody had to create a stir both within the faction and in the House because we live in a world in which my fellow representatives overlook even the greatest efforts without saying a word. If I were to set myself on fire in front of the parliament they would walk by me with indifference. My sense of responsibility does not tolerate this.

[Samu] May I ask you to be somewhat more specific?

[Denes] Fundamentally, I am grieved for three reasons. First of all, the first law concerning 1956 was enacted by the victorious opposition on 2 May. I regarded this law as a legal resource, but instead we got mixed up in the Bolshevik maze of paragraphs, and we continued with the process of illegalities sanctioned by law at a point where this process appeared to have ceased as a result of the democratic elections. Not even a minimum reckoning took place, not even the murderers of Mosonmagyaróvár and Salgotarjan were held to account. Marosan and Hegedus were not taken to court, and as a result of other matters, Grosz was not either.

Not to mention the fact that "thanks" to the coalition government the unreliable and the unsuitable who were dismissed continue to enjoy an on-call status with full pay for six months. Not to mention some other prominent crooks who receive early retirement benefits and pension payments in other ways!

[Samu] This is, let's say a....

[Denes] My second reason is the tug of war about property. After 150 years of Turkish rule this country was able to prove how much land belonged to whom. Why then would this not be an appropriate solution after 40 some years of Bolshevik rule? Not to mention the fact that land is not for sale to operating capital! At most it should be leased under conditions favorable to us. The inherited state indebtedness, the budget deficit constitutes enormous crimes, but why are some trying to top these crimes by selling out the country? If thanks to our predecessors we owe money to the capitalists who supported the Kadar regime from the beginning to its agonizing end, amid blood, filth, crime, and terror, we should now send a message saying that at this time they should have a little patience! [We should tell them:] Respected irresponsible creditors, why don't you help us get back on our feet, and we will pay as soon as we have something to pay back. The one who had nothing to do with those billions of dollars should not be nervous, let those be nervous who granted those billions without guarantees. Our creditors should not hold their hands open waiting for the entire country to fall into their hands!

[Samu] What is your third reason?

[Denes] It is the war of the barricades. I insist that you use this term, because I regard the taxi drivers as supporting actors, as people who were had. Those hiding in the background planned everything in advance, they organized with a skill that could put military strategists to shame, if you will. Just take a look at a map and find the places where the barricades were set up. There is no military staff officer who could have planned it better. Behind this whole event there must have been a very few people, very much money, and very serious instruments. This could not have happened otherwise in a country where fear continues to be so strong that they are unable to convene workers' meetings in factories.

[Samu] Are you speaking of "instructions" received from within Hungary or from abroad?

[Denes] I do not see a reason to point my finger abroad. In walking on the streets on Friday I was told that power must be yielded to those with the brain, and a pamphlet from the Alliance of Free Democrats [SZDSZ] arrived with a dateline of 13:30 hours. I wanted nothing more than to confront the SZDSZ with this pamphlet. Since it did not suffice that Mr. Peto distanced himself from this pamphlet, the parliament should have drawn the consequences and named the persons responsible so that we preserve the purity which should characterize all parties which operate on a legitimate basis. Instead of doing so, all parties swept this issue under the rug, not thinking of the fact that this issue stinks under the rug the same way as it does above it.

[Samu] Regardless of how I look at it, all these statements represent a strong critique of the government, or if I look at it another way, of the MDF.

[Denes] It is a critique of the entire society, of the entire parliament, as well as of myself. What took place in this country puts us all to shame. And how about the fact that they elevated that potbellied—I can permit myself to say this—trade union chief Sandor Nagy; the one who served everyone and who has already been regarded as a failed man? The fact is that they praised the [Trade Union] League that was put together in the castle, those who in a base manner betrayed the MDF's workers' council movement. The MDF pushed "Mr." Bajtai to the fore; they made him independent and supported him. Now, in a hypocritical manner, the MDF lies down at the feet of a man whom two weeks ago they called a red-eyed Bolshevik. Sir, I am going to throw up!

Csengey Rebuts Opposition Charges Against MDF

91CH0230A Budapest MAGYAR NEMZET
in Hungarian 30 Nov 90 p 5

[Article by Denes Csengey: "Thoughts Before the MDF National Meeting: The Season for Choosing a Fate"]

[Text] As the MDF's [Hungarian Democratic Forum] fourth national meeting approaches, we run across more and more speculations, sneaky or redeeming advice, and dark prophecies. There is nothing surprising in this. The same thing happened in the spring and autumn of 1989, and then again in May and June of 1990. At those times, too, some diligent minds made proposals as to what dividing lines we should use to split ourselves into two, three, five, or even a hundred factions. Until now we have never listened to these proposals.

Our Opponents' Good Advice

There were always speculations evoking emotional storms, originating from "circles close to the MDF leadership, who did not wish to reveal their identity," which depicted the severe conflicts of leading personalities with each other and with the Forum. Such speculations are about as valid as if someone, in an attempt to find out whether a couple in public life will have a son or a daughter, would secretly X-ray the father's abdominal region, and then sum up his findings by stating, in a worried or revealing tone: "There will not be any child at all."

Then there was always a designated threatening force, which "soon will assume, if it has not already assumed," the leading role of the silent revolution from the Forum. In the spring of 1989 this was the Social Democratic Party, in the late autumn of 1989 it was the SzDSz [Association of Free Democrats], and now it is Pozsgay.

Finally, there were always those who accused each of the three great ideological trends that make up the MDF (the populist-nationalist idea, Christian Democratic morality and political philosophy, and the values, economic orientation and ethos of national liberalism) of harboring

ignoble intentions, and depicted all of them together as being unable to get along and condemned to a fate of splintering and infighting.

According to these prophecies, the Hungarian Democratic Forum represents innumerable threats to Hungarian democracy and Western-type market economy, in the shape of rule by ignorance, anti-Semitism, a pro-Christian political course complete with a clerical attire peeking out from behind the cobwebbed and musty aristocratic garb of the Horthy era, as well as aristocratic vanity (or "Mandarin" outlook), or a feudal consciousness and domineering arrogance.

According to the same prophecies, Christian Democracy is repelled by the Calvinism of the populist-nationalist wing, while national liberalism is rebuffed by accusations of putting the country on the auctioneer's block and losing control over the nation's press. Conversely, Christian Democrats tend to look down on the populist-nationalists, as a cardinal would a lay order of beggars, and would like to keep national liberalism within feudal restrictions because they are unable to follow the latter's economic genius. Finally, national liberalism rejects populist-nationalism as an educated rural youngster would reject his siblings who stayed on the farm, and employs the pathos of enlightenment to conquer Christian thought depicted as the ghost of the Middle Ages or the [Istvan] Bethlen-[Gyula] Szekfu-[Kuno] Klebelsberg era.

This is the crisis projected for the MDF, the tragic split nurtured by our opponents' hopes.

Why do not we respond to this with confident glee, saying: "Come now, gentlemen; do not joke with us now when we are busy with more important things?"

What We Have Undertaken

The reason we do not do so is that the MDF's ranks are indeed infected by a sense of crisis, an anxiety brought on by the realization that we face a historical judgement. There is nothing surprising in this. Any national coalition party, or spiritual-moral movement, would have to be called deaf, blind, and insensitive if it did not have internal debates and tensions and remained untouched by the nation's crisis as epitomized by the threat of economic and moral breakdown, the looming shadow of impoverishment for millions of citizens, the possible destabilization of a democratic system of institutions, and the deteriorating opportunities for peacefully and institutionally representing various interests.

In other words, there are valid reasons for the public at large to sense a crisis.

However, anyone who wishes to purge and strengthen the MDF would make an irreparable and inexplicable mistake by allowing those who are interested in nothing else than to remove the MDF from the way of their own political aspirations to ponder the initial issue.

We cannot ignore our problems and we cannot permit others to designate them for us, thus allowing our opponents to describe and interpret us at this crucial historical moment.

The Hungarian Democratic Forum has assumed the burden (and was mandated during the spring elections) to be the major force, program-setter, leader, and organizer of the peaceful systemic transformation, and to bear the severe political and moral burden which that process would mean for the country and (through deteriorating public mood and increasing social demands) for the government.

We assumed the burden to formulate the program and create the constitutional conditions for a historical serving of justice, thus satisfying the Hungarian people's sense of justice and eliminate the psychosis of collective guilt as represented either by accusations or a guilt-ridden conscience.

We assumed the burden to establish and strengthen the institutional system of political democracy, and make it suitable for the task of solving Hungary's crisis.

We assumed the burden to create lawful conditions for the introduction of a socially oriented market economy, to guarantee the security of private property, to start the wholesale process of privatization, and to connect Hungary to the circuit of West European economic integration.

We assumed the burden to reestablish the sovereignty and independence of our nation, pursue a course of foreign policy that uses this independence as the basis for guaranteeing our organic unity with Europe, and for enabling Hungary to resolve conflicts in the region of East Central Europe.

We assumed the burden to build bridges between Hungary and Hungarians living in the West, and to assume responsibility for the Hungarian minorities of the neighboring countries.

And finally, we assumed the burden to eliminate the existential attitude and linguistic schism that separates the political elite from the rest of society; to give new meaning to the idea of nationhood and use the responsible and committed morality of free spirits to create the reserves of inner force and the conditions for the success of this precarious historical project.

In view of these aspirations, it is obvious that certain impassioned calls to account may, and will, be made, just as certain practical excuses will also be (justifiably) made.

I am not going to address those here because I feel that neither the well founded accusations nor the valid excuses will absolve us of our responsibilities. It is simply not among our options to back away from our tasks.

No Relief

We must distribute our tasks into these three categories:

1) It is the mission of the Christian Democratic wing to purge our political morals and designate our position on the map of European political life. The task of the national liberal wing is to create the basis for, and execute an economic transformation to, the implementation of Hungarian political traditions and the protection of constitutional order and legality throughout the system of political institutions. The populist-nationalist wing is called upon to ensure social support and social control for the historical turn of events, and to mobilize spiritual and moral movements contributing to national revival.

2) The government's task is to create practical plans for, organize, and lead the above processes, through a political course that ensures the survival of a stable and consolidated democracy. The MDF deputies in the National Assembly are responsible for maintaining a governing majority and for realizing our strategic goals in the legislative process. As for the party and their movement, their mission (especially when realities force our government to compromise), is to keep alive our strategic goals, and to rely on our spiritual and moral values as opportunities to remain above political considerations.

3) Our national leadership must prepare and make political decisions, provide timely information, and free our membership from the nearly unbearable pressures of politics and public mood. The mission of our local organizations is to implement our ideas in local political life, and to represent local interests in our national organization. As for our members, they must decide where, how, and to what degree they can take on practical assignments, because we must be able to rely on each of them.

Of course, there are serious difficulties, organizational obstacles and risks associated with putting this allocation of tasks into practice. We must devote attention to them.

Still, we should reject [outside] suggestions, and stick to problems we can define and risks we can discover. These are the ones we must solve and avoid.

We are not trying to sidestep accusations made by our opponents. On the contrary, we are trying to accomplish the tasks we have undertaken because we have not been, and will not be, absolved of them.

Commentary on Taxi Strike, Political Health

91CH0166A Budapest FIGYELO in Hungarian
15 Nov 90 p 6

[Commentary by Tamas Fricz: "Will It Be a Different Country?"—first paragraph is FIGYELO introduction]

[Text] The taxi strike that erupted in the wake of higher gasoline prices has not only brought the country to the

brink of economic catastrophe; with the "help" of complete openness, it has also brought to the surface the country's bare and brutal political situation. Like the proverbial veterinarian's horse [that showed the symptoms of every imaginable equine disease], the crisis created by the taxi strike has revealed every distortion of our political life.

If we wish to review in succession the lessons of those late October days, the one that begs to be mentioned first is:

1. That the gap between the democratically elected parliamentary parties, on the one hand, and certain groups and strata of the population, on the other, is still wide. That fact had already been perceptible earlier, but during the taxi strike it was revealed in its entire depth.

On that occasion, in my opinion, the events took place entirely over the parties' heads—or perhaps under their feet—and it was by no means an accident that the strikers did not seek any contact with the opposition parties. It was no accident because, it seems, the members and leaders of certain trades, and even of certain groups of small businessmen, did not feel that the parties are representing them in parliament and in national politics, listen to what they are saying or have any interest in their views. It was here that the intensity of party politics—the parties' excessive preoccupation with one another and their mutual spitefulness, discussed repeatedly on the pages of this newspaper—hit back.

Lack of Representation

The taxi strike, in my opinion, was a tremendous warning for the political parties. It showed them in black and white that their statutory legitimation is not yet accompanied by moral and political legitimacy. This must teach them humility and make them realize that they are not the centers of political life. Their central role can evolve only if they develop organic, intensive, and institutionalized relations with society's various interest groups. If the political parties prove capable of learning from this warning given to them by the cab drivers and truckers, then perhaps the "illegal" strike will not have been in vain even from a political viewpoint.

At the same time, the fact remains that the spontaneous demonstration's escalation, the blockade, and the partial paralysis of life in the cities were unexpected and shocking, close to exceeding the limits of what was still tolerable. In my opinion, however, this should be judged not from a moral viewpoint, but rather from the viewpoint that:

2. There is an almost complete absence of effective corporative organizations, capable of organizing society. The first free elections produced a democratic rule-of-law state, and local elections created local governments. Between these two levels, however, the corporative level has remained unorganized. There is no "second" parliament comprising the various corporative organizations, chambers, federations, etc., and the

existing corporative organizations are not functioning effectively enough. Among other things, this corporative vacuum was one of the decisive reasons why the spontaneously erupting revolt of the cab drivers and truckers was not directed into those channels for the assertion of interests where conflicts can be managed and passions can be kept in check.

The emergence of the multiparty system, in other words, has not solved all—or has solved hardly any—of the problems of the citizens. Without the development of a system of institutions for representing interest groups formed on a regional or professional basis, or on the basis of a specific range of interests or preferred choice of values, society is inarticulate, diffused, divergent, and atomized. During the several decades of power of the Kadar regime, a socialist-Communist cloak concealed society's real articulation and interest relations. But even now, six months after the establishment of democracy, we seem to know not much more about the citizens' intentions, organization and interests.

It is essential that the wills of the citizens—which are presently still completely nonintegrated, at cross purposes, and unmanageable—become perceptible and organizable. That is not only in civil society's interest, but at least equally in the interest of the state and government as well.

Self-Restraint

On 28 October the ET [Council for the Reconciliation of Interests] functioned for the first time in accordance with its intended role. Perhaps despite all the pain and bitterness of the taxi strike, it "gave a nod" to the trade unions and corporative federations, demonstrating to them that their role in a democracy is indispensable. This is all the more true because the representatives of the individual professional groups, trades, etc., do not appear to be thinking strictly along party lines; instead, they are striving to stick to the sphere they are able to view comprehensively, and which is really relevant to them. It is undeniable, nevertheless, that we must not forget the government's enormous responsibility. In the wake of the taxi strike it has become unambiguously clear that:

3. The government, in its present composition, is hardly suitable to win—by its functioning and actions—the support of a majority of the people, and it is unable to make them believe that it is able to carry out consistently the change of economic systems.

Now, quite a few days after the events, I have merely one "social psychological" comment to offer: As a rule, the self-confident and strong governments, aware of their own stability, are the ones willing to make concessions and to change their original decisions. Unwillingness to correct some erroneous action on their part is typical specifically of weak governments, because they feel that by doing so they would suffer a serious loss of prestige. But the situation was the exact opposite. The government has been able to salvage its shrunken minimal

prestige only by conceding to the strikers, or rather to their representatives. (There was no professional argument against doing so.) However, it is entirely another matter that with this compromise the government has not yet solved everything. The basic problem—i.e., the government's unsuitability in its present composition—still persists. It is impossible to predict what would be a good solution. But the fact is, that due to the institution of a constructive motion of no confidence, we can hardly expect a radical change of governments. The opposition parties at present do not seem to want to make life for the government too difficult. That attests to their sense of political reality, because we already are facing an economic catastrophe. Perhaps the Hungarian economy's looming bankruptcy, rather than merely its crisis, will bring about constructive cooperation between the governing and the opposition parties, and will teach both sides patience and self-restraint.

Did It Make Sense?

Finally, it will be worthwhile to formulate yet another lesson of the taxi strike that:

4. The creation of democracy's legal institutions alone does not yet lend an elected government legitimacy. In other words, democracy in itself is not legitimate in the eyes of the people. I think that the people who under the Kadar regime were free only as consumers, as "consumer citizens," will judge the new regime's effectiveness solely on the basis of how their own living conditions develop. This, of course, is not at all surprising. After all, democracy has brought the people only pain and bitterness so far. Our country has not yet had a blossoming period of democracy, after which there would be reason to cling to the institutions and laws that embody democracy.

All this shows that also faith in democracy is fragile in this region and country, especially if the process of democratization is not proceeding democratically enough, and society remains unorganized and nonintegrated. If for no other reason than because we have learned this lesson and are recognizing from it what has to be done, let us not look back with anger upon the end of October.

POLAND

Plenipotentiary for Refugee Affairs on Influx

91EP0173A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 49, 9 Dec 90 p 8

[Interview with Zbigniew Skoczylas, Ministry of Internal Affairs plenipotentiary for refugee affairs, by Iwona Jakalska; place and date not given: "Crumbs From a Poor Man's Table"]

[Text] [Jakalska] Your employees say, "It's difficult to catch up with the boss." You are a resolute and well-organized person, so it seems not surprising that Minister Kozłowski wanted such a person in this post. But why did you accept? What prompted you to do so?

[Skoczylas] The pledge that I had at one time given Minister Kozłowski. We have known each other for years, and we both from mountain regions, and in the mountains promises and pledges are usually kept. The minister had asked me several times to relinquish the highly convenient status of a pensioner and join in some work. I had refused him twice, and that is why, when he asked me to attend to this matter, I could not refuse him again. But I posed the matter clearly; I can organize and get things moving and keep them moving for just one year, not longer. Afterward I shall pass it all on to my successor. Besides I have one already.

[Jakalska] Refugees, emigrants.... This is the first time we encounter this problem in Poland.

[Skoczylas] That is only the beginning. We have been dealing with it for barely eight months. And here I must say that a great injustice is being done to the girls from the Polish Red Cross. For these eight months they have had to cope with these problems without any outside assistance. And then suddenly a plenipotentiary was appointed and provided with an office and received all the publicity, whereas those girls from the Polish Red Cross received no spotlighting whatsoever. And yet they deserve credit and fame for what they have accomplished till now. If some difficulties arose, that was not their fault; it is simply that no one in Poland was ready to solve problems of this kind.

[Jakalska] Until now it has been us that provided the world with refugees.

[Skoczylas] And until now it has been us who received the world's assistance. As for the manner in which this has been done, that is another matter, but we owe a debt which we should repay conscientiously. It should not be said that all Poles are racists and dislike foreigners. We are a xenophobic society, but that ensues from the conditions in which our society has evolved. It should be borne in mind that people are terribly tired and live under continual stress and tension. They should, nevertheless, be reminded that we can no longer avoid this problem, that we have to live with it. Such is the price of living in an open society.

[Jakalska] You have been meeting with refugees. How do they act?

[Skoczylas] They are extremely disgruntled.

[Jakalska] With whom?

[Skoczylas] They themselves do not know with whom, because they are incapable of gaining an overview of the situation. They wanted to reach Sweden or Germany. They had passports with visas, which they had accepted in good faith. That is what they say, and I believe them.

Now they do not know who has cheated them. And neither do they know how long will they continue in this state of suspense. They do not want to remain in Poland, because even if they are granted refugee status, entire years may pass before a country ready to offer them permanent residence and let them live like human beings can be found. Unless they receive refugee status, we can shelter them for at most two months.

[Jakalska] And afterward?

[Skoczylas] Either they must return to the place from whence they came or apply for naturalization in Poland, that is, apply for a permanent residence card. It can be obtained, but one must first have a job and housing. Now do you understand how such people feel? To them all this is a mystery. Why is someone holding on to them? Why does not someone want to admit them? They feel certain that Poland is holding on to them, that the [United Nations] High Commissioner for Refugees pays for them with dollars which Poles are pocketing and, in return, doling out to them miserable pennies. Many believe that Poland is making a profit off them.

[Jakalska] And is it? Is Poland receiving foreign aid for them?

[Skoczylas] Not a penny. It may be that Geneva believes that those 850 people who were granted refugee status are no big problem and Poland can cope with them.

[Jakalska] Who is a refugee, really?

[Skoczylas] As interpreted by the [Geneva] convention, a refugee is a person who, should he return to his own country, risks being subjected to chicaneries and other dangers owing to his political beliefs, religion, race, or ethnic group. Such an interpretation distinguishes between a refugee and an economic emigrant.

[Jakalska] How many people cannot expect to be granted refugee status?

[Skoczylas] At the moment there are 100 persons who were notified of a final negative decision. We are giving them one month to prepare and make a choice between leaving Poland and applying for a permanent residence card in Poland. This will be a very painful choice for these people.

[Jakalska] They are and feel themselves to be strangers.

[Skoczylas] Had they been Europeans, we would have avoided 90 percent of the problems we have to face. In the case of Africans or Arabs the problem begins already with the meal stage. For example, they are incapable of understanding that somewhere in the world people do not know how to cook rice so that the grains do not stick together. I am not even mentioning such instances as attempts to feed Moslems with pork.

[Jakalska] This may end tragically.

[Skoczylas] Such subtleties have to be perceived. The heads of our [refugee] shelters had at first been unable to understand the reason for the constant eruptions of quarrels, for the intrusions of knife-wielding Arabs into shelter kitchens. Well, those Arabs suspected that they were being fed pork.

[Jakalska] Were they?

[Skoczylas] Yes, they were.

[Jakalska] Is it easy for you to communicate with them.

[Skoczylas] I am only beginning, but it is easy for me to find a common language with them. They are frustrated people. But they can be handled, provided one tries to understand them [and tries] to understand that these people are somewhat different from us, because they come from another culture and another civilization.

[Jakalska] It may be that soon now new refugees coming to us will be closer to us culturally. I mean refugees from the Soviet Union.

[Skoczylas] We can, and it is even our duty to, consider such scenarios. The state must be prepared for any eventuality. This does not have to be inevitable, but it is a possibility and then we shall face the same situation as with Romania at present, except on a much larger scale. And those new refugees may not want to leave Poland. Besides, it is an open secret that we are not going to close the [Polish-Soviet] border because it will be the [Soviet] Poles who will be the first to pour into our country.

[Jakalska] To what extent can we cope with this eventuality?

[Skoczylas] Several tens of thousand refugees would gravely encumber our budget. If we mobilize every possible resource and mobilize the public for help, we could perhaps accommodate 800,000 refugees. But not for long. After six months our resources would be exhausted. And if the refugees number several million, that would be to us like a cataclysm, a natural disaster. Nothing Poland could do would suffice, and aid from Europe, from the whole world, would be needed.

[Jakalska] You mentioned Romanians. I realize that they cannot be considered refugees [by the Geneva definition]. But they are most often mentioned, and most visible as well.

[Skoczylas] Since the year began 270,000 Romanians have entered Poland. Each month 30,000 more are entering Poland, and 30,000 are leaving. This is an incessant traffic of people who are fascinated by the possibility of leaving their country. This is what had happened with us 10 or 15 years ago when we began to emigrate to the West en masse. Poles traveled to the West in order to work illegally. Romanians are traveling to the West in order to beg illegally.

[Jakalska] Many Poles wonder why the Romanians are coming to our country and what draws them to it.

[Skoczylas] These Romanians feel that they have reached paradise. When told that life is bad in Poland, they simply fail to understand it. To grasp what I mean, you should visit Romania yourself and then take a stroll past the street vendors near Warsaw's Palace of Culture. Then you will readily see why Romanians want to come to Poland. Poles are kind people. In one day a Romanian may accumulate 100,000 zlotys by begging. After a month he may leave Poland with \$150 in his pocket.

[Jakalska] People see these Romanians sleeping in train stations and on sidewalks and say that something should be done about this.

[Skoczylas] The public's reactions are very sharp, because this is the first time that Poles are encountering authentic, unfalsified destitution. What can be done about it? Well, every Romanian could be given a million zlotys, and let him change it into dollars and leave Poland. But for God's sake, Poland cannot start caring for the entire population of Romania. Assistance from all Europe should be organized for Romanians. We can give little, but we can make a big ado about it. The sources of the evil should be explored and combatted in the countries from which people are fleeing to avoid destitution.

[Jakalska] There are people who feel greatly cheered by learning that some people are even poorer than they. The sight of these Romanians restores some of their self-esteem.

[Skoczylas] Well, Poland is supposed to be a Catholic country. Ninety-five percent of Poles profess Catholicism, and that is a religion based on love of one's neighbor and charity. People should remember how bad life used to be for us, how we had been treated as the pariahs of Europe.

[Jakalska] Still, quite a few people would argue that we still do not have it so good as to be able to help others.

[Skoczylas] It is no hardship to distribute crumbs from a rich man's table. The real hardship comes when one has to share his last slice of bread.

Scenarios, Preparations for Eastern Refugees

91EP0174B Warsaw GAZETA WYBORCZA in Polish
17 Dec 90 p 7

[Article by Anna Husarska: "The Four Maps of Skoczylas, or the Wandering of Peoples"]

[Text] At the Ministry of Internal Affairs on Rakowiecka Street, four maps are hanging on the walls of the office of Lt. Col. Zbigniew Skoczylas, plenipotentiary for refugee affairs.

The first is a map of Europe with offensive arrows indicating the directions of the possible migration of the Soviet population. Of the ten arrows, two point outward

from Leningrad toward Finland, one from the Ukraine toward Romania, and the remainder from the USSR toward Poland.

Near the desk is a map of Poland showing the transportation network from the [Polish-Soviet] border, along with the areas designated for the potential reception centers for refugees from the Soviet Union.

The third map, a map of the world, shows the contours of the USSR and other countries from which refugees arrive in Poland.

The fourth map, near the door, shows the environs of Warsaw with locations of the existing reception centers, which for the time being are used mainly by refugees from the Third World.

The Department for Refugees at the Ministry of Internal Affairs was formed a month ago. It is directed by Lt. Col. Skoczylas, a 62 years old Carpathian mountaineer, who had retired in 1979 after 30 years of military service with the Red Berets. In cooperation with the Polish Red Cross and the Ministry of Foreign Affairs, as well as other ministries, he is coordinating the preparations for receiving the coming surge of migration and directing the recently formed interministerial commission for refugees.

Zbigniew Skoczylas is attentively following the unfolding of the situation on the other side of our eastern frontier. He envisages three possible scenarios of events in the Soviet Union.

The Soft Scenario

This year nearly 4 million Soviet citizens entered Poland and nearly as many left it. The passage of the new Soviet passport law will be followed by a sudden upsurge in arrivals in Poland. In the opinion of Lt. Col. Skoczylas we will have six months of calm, because passports can be printed only after the name of the [future Soviet] state is decided. But, even now, the famine in the USSR may prompt many passport holders to emigrate. Should the number of arrivals from the USSR rise to 6 or 8 million, restrictions would be applied in three stages.

In the first stage, the requirement of bringing \$20 for each day of sojourn in Poland would be introduced. Hard currency is difficult to access in the Soviet Union, and thus this would be a major obstacle. The second stage would be to restrict the duration of stay and the third, the introduction of visas, that is, the practical closing of the border to mass arrivals.

The Martial Law Scenario

The situation in the USSR is growing increasingly acute. Should martial law be introduced in one of the republics contiguous to Poland, a mass influx of desperate population would take place.

Lt. Col. Skoczylas estimates that some 70,000 to 90,000 Soviet citizens are present in Poland daily as tourists

who engage in trading. One-third or even one-half might at once declare themselves to be refugees.

The acceptance of 50,000 refugees would mean to Poland an annual outlay of the order of 1.2 trillion zlotys, that is, in practice, a collapse of the Polish economy. "Everything must be done for Europe and the world to help the Soviet Union, because once the Russian pot boils over, nothing will help," said Lt. Col. Skoczylas. "We have no food surpluses, but the EEC has them and can help."

The Horror Scenario

"Although this is a nightmare, it is our duty to allow for its possibility too," said Skoczylas. "That is why one should be prepared for a revolution of the *vse ryezayut vsekh* [Russian expression meaning 'Everyone is cutting everyone else's throat']. We had already experienced the repercussions once before, during the October Revolution of 1917, when Poland was a transit country. This time [the Soviet refugees] might remain here for good. The cost of sheltering half a million refugees would be 25-40 trillion zlotys a year. We are financially unable to cope with it."

Map No. 2

Where could large numbers of eastern refugees be accommodated?

Either in the barracks to be vacated by Soviet troops, which would now house their civilian compatriots (but it is not known yet when the troops will be withdrawn), or in resort and camping areas in the tourist regions of Poland. On Lt. Col. Skoczylas' map of Poland these locations are marked, along with the trunk railroad lines running in their direction, routes of transportation by truck from frontier areas to railroad stations, and even the schools and lounges in which the refugees could be housed for the first few days.

The Polish eastern frontier, which is 900 kilometers long, is guarded by altogether 350 frontier guards assigned to 34 stations, each manned by nine to 13 guards. All in all, at present some 14,000 persons arrive from the USSR daily, and a somewhat smaller number leave for the USSR. There are very few illegal border crossings. Should the number of such crossings soar, plans exist for reinforcing the frontier troops with the regular army and transferring the frontier troops from the western border there, "on which they feel bored," according to the Terespol frontier crossing chief Lt. Col. Jerzy Tabulski.

An Unsigned Convention

According to the Chief of the Special Assistance Section of the Polish Red Cross Scholastyka Sniegowska, last year there were a total of 11 refugees from the USSR. Seven were recognized as eligible for this status by the United Nations High Commissioner for Refugees, and of these seven four are waiting in Poland to emigrate to another country while three have already escaped to

Germany. Two escaped nobody knows where after their application was rejected by the High Commissioner, and two others are still awaiting his decision.

As interpreted by Polish law, they are tourists in transit, because Poland did not sign the 1951 International Convention on Refugee Status.

That convention grants to refugees the right to be treated at least as favorably as the sheltering country's own citizens. It obligates the sheltering country to provide refugees with jobs, housing, educational opportunities, language instruction, and access to social welfare and entitlements—something that we cannot guarantee to even our own citizens.

"The fact that Poland did not sign the convention does not, of course, relieve us of the obligation of humanitarian treatment of those who ask us for assistance," said Lt. Col. Skoczylas. "Bearing in mind the West's response to the introduction of martial law in our country years ago, we should offer some humanitarian conditions to refugees."

Romanian Refugee Problems, Welfare Refused

91EP0172A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 49, 9 Dec 90 pp 8-9

[Article by Dorota Bernhardt: "Without Visas"]

[Text] They do not feel like refugees. They came here with a concrete goal in mind: to do business or beg.

Sandu Dan, First Secretary at the Romanian Embassy, indicates that these Gypsies with Romanian citizenship, who came to Poland as tourists but are begging, are not representative of either the Romanian or Gypsy nation. These are people who traditionally support themselves by begging. They treat begging as their occupation, one without shame, because it is culturally accepted. They are not accustomed to working either in Romania or in other countries.

It is not certain whether these new arrivals are actually among the poorest. It is difficult to say with any certainty at all whether it is tradition or poverty which inclines them to beg.

They do not want to remain with us permanently, because why should they? Once they make some money, they will leave. Some of them will come back, as is their custom, after turning the money over to their families. The next ones will come too, some in order to reach Germany. The German border patrols catch them and send them back to us. In Germany visas are required. No visa or invitation is required to enter our country, not even means of support. All a Romanian needs to do is provide evidence of funds in the amount of 1,300 zlotys for the entire period of his stay (the figure set at the beginning of the 1970's) and produce a passport.

Meanwhile, the law passed in January of this year allows nearly all Romanians to receive passports. About 3

million passports have been issued to Romanians during the past few months. They are therefore free to travel to any country willing to admit them.

At one time they travelled through Czechoslovakia to Germany. Now they pass through the USSR to reach us. Masses of them pour out of the Karpata train [name of train-run] before 0600 hours. From her window the attendant at the Eastern Train Station watches migrations of what she calls "gangs of Gypsies."

We come to work at 0700. Even then there are children sitting on concrete in the tunnel begging. They act as though they don't have any money, but every day at the window we change a million zlotys' worth of currency into higher denominations, sometimes 2 million."

"At Warsa [train station] one lady felt sorry for a Romanian boy and bought him a sandwich in the morning, but he threw it away and demanded money," a coworker at the window adds.

In the evening, in the nonsmokers' waiting room, about 100 Romanians spread themselves out side by side on boxes or blankets, on the floor under the heaters, on benches and under benches, between stacks of garbage. The men play cards, drink alcohol, smoke, holler, and swear. It is enough to come up to the window. Several women immediately get up. They talk about revolution in Romania, tricking people out of money or cigarettes.

This view became common among the people working at the station: "We clean up here all the time, and it's still dirty," they sum up. Everyone knows that business is up in the baggage check room, where the Romanians leave their bags for long-term storage. This is also true of the little shop at the station, where they put up the clothes they have smuggled. The old woman in charge of the toilets has not been complaining about a shortage of patrons either.

A taxi driver notes, "It's real poverty, because they don't ride in taxis, but how much can you give them?"

"They consider themselves exempt from any penalty," says a railway worker. "At night we're afraid to take the train, so we go in threes, because you don't know what they will get into their heads."

"Most of the Romanian Gypsies encamped at the station carry knives in their belts," say the railway police from the Warsaw-East Railway Commissariat. "They're often aggressive, but we can't throw them out, because there are only two of us on duty at a time. After all, they usually steal and fight among themselves."

There was an instance where they locked up a Romanian for stealing, but they had to let him go after 48 hours. There was no interpreter. Nobody wanted to come, because the police had not paid the bills owed for previous interpreting jobs.

There are not many Romanians at the Central Train Station. Our own local homeless population has priority

here. The police give them early morning wake-up service. Later they can sit around, provided they do not lie down. They recently had a visit from a social worker from Jacek Kuron's SOS [expansion unknown]. She gave them a de-lousing solution.

The bazaars in Warsaw and in the areas near the German border, especially Zgorzelec, are teeming with Romanian families doing business. They usually deal in alcohol, canned meat, canned ham, halvah, and nuts. About every other day groups of more than 30 Romanians are sent back over our border for bringing excessive quantities of these very items into Poland.

With increasing frequency, Warsaw residents are upset when they see Romanians begging, surrounded by children, with infants on their knees. Women wonder how it is possible to exploit these little ones. A 10-year old Romanian girl put up a card reading: "I'm an HIV carrier." Did she know what she had written?

The Poles have not been stingy with help for Romanians during their revolution or after it ended. This may be the reason the visitors are convinced that a cry for mercy will fall on fertile ground previously tested. They try to tell the fortunes of passersby, when they go around poorly dressed with signs hung around their necks saying that they come from Romania and have five children (which is obvious). For the time being, they are calling up ambivalent feelings, as we can see from Hala Mirowska [Warsaw location], in front of the Domy Centrum [Warsaw location across from the Palace of Culture], in front of the pavilions, and in the underground, where passersby either pull out some money or yell: "These trash have found America! True poverty is quiet and peaceful, don't flaunt it!" Warsaw residents ask, "Why doesn't the Polish Red Cross (PCK) or the church take care of them?"

"They don't want our help," says Scholastyka Sniegowska, the head of the PCK's social welfare department. "A few weeks ago a Romanian family with eight children came to us. The youngest was seven months old. After two days they left our center, despite the fact that they had lived there under normal conditions. They took the children and preferred to go beg. They asked only for clothing for the children. We gave it to them. They weren't interested in anything else."

The PCK has places in 11 centers. There are about 600 foreigners living there, mostly from African countries. They are provided with food, a place to sleep, toiletries, and free medical care. They can get a job or learn a trade or language. Since November, the PCK has been paying 50,000 zlotys to feed and house one person. There are only six Romanians among the 600 refugees. The PCK can still accept about 100 more people. They could at least leave the waiting room at the Eastern Train Station, but the Romanians are not interested.

They do not go to the Romanian Embassy for help either. Despite the fact that their diplomatic agency in

Poland is responsible for them as citizens with Romanian passports, it cannot help them, inasmuch as they do not want help. According to the bilateral agreement between our countries, their embassy has no way to regulate the number of Romanians entering our country or limit how long they stay here. They have the right to stay in our country for 30 days, and in special cases, such as a sudden illness, 90 days. The Romanian Embassy has, however, informed its authorities about the situation in Poland. It has also made contact with Gypsy representatives, barons living in Romania, and asked them to persuade their compatriots that they are being very detrimental to tourism and are distorting the picture of Romanian society.

The health service's night action (28-29 November) at the Eastern Train Station was of no use, although all the pediatricians of the capital's emergency service were put to work. The Romanians would not allow their children to be examined, with the exception of a few who allowed themselves to be talked into it, with the aid of an interpreter and the Romanian consul. Nonetheless, the parents of seven children that had been examined would not hear of allowing two of them to be taken to the hospital.

"Twelve ambulances left the station without patients," says Michal Borkowski, head of the capital's emergency services department. For example, the parents of a little girl with bronchitis on both lungs put her on a train and went to Bucharest. A little girl with mumps was the only patient admitted, but even she was collected the next day by her father.

The astounding reactions of the Romanians are difficult to justify even with alleged fears of deportation. Alongside this fact, Warsaw residents are in a panic over epidemics. These fears have been multiplied by news in the papers (often untrue), and the panic is growing along with the hostility to their presence in our country, despite the fact that, according to a spokesperson for the voivodship governor, there is no threat of an epidemic and all rumors on this subject should be squelched.

Between January and October, 277,000 Romanians travelled to Poland. This is 15 times as many as during a similar period the year before. We ourselves wanted a Europe without borders, and we have one. Just between 8 and 17 November, 11,717 of them came and 11,752 left, which means that a few more departed than arrived. We are also encouraged by plans to require Romanians to have in their possession a return ticket upon entry to Poland, along with \$10 for each day of stay. This is to begin on 1 December. These decisions could surely have been implemented more than a month ago. For the time being, Romanians are attracted to Poland as to paradise. Maybe they do not know yet that the road from us to paradise is as long as that from the earth to the sky.

Movement of Working People: OPZZ Protoparty

91EP0174A Warsaw ZYCIE WARSZAWY in Polish
17 Dec 90 p 4

[Article by (ZAR): "Neither a Party Nor a Grouping: The Movement of Working People Is Closing Its Ranks"]

[Text] (Own information) At the Warsaw offices of the OPZZ [All-Polish Trade Union Agreement], on 16 December, delegates met from the communities, institutions, and factories in which elements of the Movement of Working People (RLP) are operating. The movement has been mentioned publicly for at least a year already, but it was only last 22 July that it had its founding meeting. Judging from the reports of the founders, at present approximately 100,000 people are sympathizers of this movement.

Previously the Movement of Working People had been a nebulous, undefined formation situated "somewhere" on the Left. Yesterday, for the first time attempts were made to indicate more precisely the place of the movement and its goals. Not all the questions were answered; e.g., the motion for turning the RLP formally into a political party was rejected by an overwhelming majority of votes; the delegates preferred to stick to the concept of "a voluntary social association."

However, many of those taking the floor pointed to the logic of certain processes: sooner or later the RLP will actually become a party. In addition, such is the intention of its founders, who desire to guide the RLP in the direction of a Polish counterpart of the [British] Labour Party.

Declarations of the kind, "We oppose basing the performance of the economy solely on the principles of an elemental market economy" or "We protest and oppose the universal and accelerated privatization of public property," etc., are simply too little as a program for a grouping aspiring to win popularity and the sympathies of the young, especially of those who had recently voted for Stan Tyminski. Incidentally, it was the graybeards rather than the young that predominated in the audience. The presence of Edward Osobka-Morawski [as published] drew attention.

The question of the goals of the RLP also was not defined more precisely. Sure, they are leftist, but what kind of left? Should they be the kind, as proposed by Roman Drozdowski, to erect barricades and seize factories? Or should they be the kind proposed by Alfred Miodowicz, that is, more centrist, releasing the OPZZ from the burden of political struggle but warranting the existence of the ideological values followed by the membership of the OPZZ?

For the time being only the RLP Council has been formed, with the intent of having a presidium with executive powers emerge from that council in January 1991. Then, also, the discussion of the program, methods of action, and eventual alliances of the movement will be continued.

POLAND

Officer Denies Army Was 'Totalitarian Bastion'

91EP0171A Warsaw PRZEGLAD TYGODNIOWY
in Polish No 48, 2 Dec 90 p 6

[Letter by Lt. Col. Andrzej Wojdyla, of Warsaw:
"Democracy in the Army"]

[Text] There are two phenomena responsible for the decline presently noticeable in the Polish army's prestige: natural developmental trends in civilized present-day societies and Marxist-Leninist doctrine, which gives primacy to the Communist Party in the sense of a decisionmaking apparatus that controls every other organization and institution.

In the Polish Army, the process of changes is not moving as quickly or intensely as impatient reformers would like. Excessive haste in reorganization—this was visible, for example, in the reduction in combat units calculated for propaganda purposes—always produces more harm than good. Before we begin to dismantle or modernize structures which are undoubtedly outdated, we must first create a clear plan for such actions. They must be based on a clearly conceived vision of a new army, its goals and tasks, and those organizational, logistic, and training structures that correspond to these goals and the needs of the time. Action taken from political motivation, under the pressure of circumstances or demagogic demands, will lead to mistakes. The whole Polish army has never been a bastion of totalitarianism. It was its commanders, the political and party machine, the obsessive propaganda, and the system of training and moral education in effect at the time that endowed it with such characteristics, but, despite everything, the army always remained in essence the Polish Army.

I am convinced that the army alone, without arrogant outside interference, will completely transform itself into a fully sovereign national army. General attacks on the army and its personnel make no sense, because they evoke a fortress mentality and do not help bring about the desired changes. This does not mean that military matters are again to be hidden behind the cloak of secrecy. This remark also applies to the Western custom of placing civilians in certain important military positions, a practice which has not been tested under the specific conditions of the Polish Army. In the West, a candidate for a military position is given fundamental preparation for it over an extended period of time. In our country, people without experience assume the positions "on the run," without carefully learning about the specific features of the given institution. Observing such nominations, one sometimes gets the impression that we have returned to the lawless era of "citizen commissars."

Here and there barricades have been built in time within the army in an effort to impede the processes of democratization. When reductions are made under the auspices of structural changes or cutting excess staff, audacious professionals are the first to go. The old guard will protect itself in some institutions up to the last moment, in the hope that perhaps something will change and the good old times will return, at least in part.

The tried and true ways of getting rid of inconvenient officers sometimes still work. Outmoded service practices are an effective instrument to force the obedience and silence of subordinates, where the superior lacks a sense of justice and genuine control.

The restructuring process is sometimes exploited so that people previously in power can find new unobtrusive positions in which they can maintain their former high salaries. People who should leave, because they were at least formally responsible for the vulgar propaganda in the past, still have a great deal of time to change their spots, to seek places to stay, to adapt to the new conditions, etc. There are no misgivings or hesitation about letting people go who are inconvenient, are of little significance in the hierarchy of the service, and have not distinguished themselves by their party activity in the past.

Among those education officers (formerly political officers) retired to civilian life are a certain number of experienced, well-educated humanists the army should not get rid of merely because they were classified in one personnel category rather than another, but somebody has to go in order that someone else may stay. I should also like to address the issue of wasting funds allocated for national defense. Rarely has there been any direct lining of private pockets in the army, but there have been instances where positions in the service have been exploited for private gain. This frequently ran along the lines of buying a private house at official prices, building vacation homes at the army's cost, acquiring a building lot for practically nothing, using expensive RTV equipment free, foreign travel, the possibility of buying "withdrawn or completely worn out" items at shockingly low prices (mostly automobiles), making use of military construction companies, and so on. The slogan of helping one's own was always used for such operations. The extent of these phenomena was carefully concealed.

The precipitous cutback in line units will permit central institutions and headquarters to maintain some unnecessary positions and privileges. We may suppose that the reason for the great haste was to permit certain commanders to continue to enjoy themselves in the army and in command.

HUNGARY

Cooperative Savings Bank Operations Described

91CH0164B Budapest FIGYELO in Hungarian
8 Nov 90 p 13

[Interview with Cooperative Savings Bank Corporation Deputy General Manager Dr. Janos Radnotzi, by Istvan Garamvolgyi; place and date not given: "The Savings Bank's Monetary Policy"—first paragraph is FIGYELO introduction]

[Text] Magyar Takarekszovetkezeti Bank Rt. [Hungarian Cooperative Savings Bank Corporation] first appeared on the scene not quite 18 months ago. Dr. Janos Radnotzi, the deputy general manager of the bank, introduces us to what in business circles is known simply as the Savings Bank.

[Garamvolgyi] The Takarekbank [Savings Bank] is the bank's popular abbreviated name, and it warrants that we become acquainted with the bank by obtaining a more complete introduction also from the business point of view. What lies behind this name?

[Radnotzi] This bank was founded by the cooperative savings associations, for the purpose of pooling their surplus resources and establishing a competitive commercial bank based on the associations. In the second half of last year [1989], we took over from the Hungarian National Bank the 14.4 billion forints of deposits that the cooperative savings associations had previously maintained with the central bank, and we have succeeded in retaining the bulk of those deposits at our bank. In other words, the Savings Bank has been able to preserve, amidst market competition, its most significant source of [loanable] funds, i.e., the associations' deposits. That, of course, had its price. Our business decisions had to ensure a suitable return for our most important depositors, the cooperative savings associations. The net result of our operations during six months was more than 1.3 billion forints of interest earned, which we disbursed among our shareholders, the cooperative savings associations, partially as interest on their deposits with us, and partially as dividends. Let me mention here that a fraction of total deposits, 700 million forints out of the 14.4 billion, flowed into other banks during the second half of the year.

[Garamvolgyi] What did 1990 bring for the new bank and its depositors?

[Radnotzi] We have already discussed the most important facts—the volume of business, operating revenues, and profit. Around the second half of 1989, there were nearly 14 billion forints of total short deposits, and likewise short-term loans. At the time of its formation, the bank had primarily short-term deposit liabilities. The Savings Bank's financial position has not changed this year, either. In the money markets it operates basically by offering short-term money, in the form of credits and discounting notes.

Now let us turn to figures. In the first eight months of this year, we provided short-term credits totaling 7.7 billion forints and discounted notes worth 8.3 billion forints. The bank's branches are operating according to market principles. They supply credit and discount notes solely on the basis of business considerations. Discounting—mostly for agriculture, trade, and the food industry—is the leader within the bank's lending structure, and similar proportions have developed also in providing credit.

The Savings Bank most often provides three-month credits. It is an entirely different matter that the bank, adapting to market conditions, provides also six-month credits for some economic units, such as for exporters, farms, and food industry plants. These terms, of course, apply to the discounting of notes as well. Credits to purchase durable consumer goods, provided jointly with certain trade enterprises, are an efficiently operating line of business.

The Savings Bank operates essentially without the possibility of refinancing by the central bank, or of rediscounting its discounted notes. Consequently, the interest rates on the deposits that provide the bank's loanable funds are high. The interest rates the bank charges on short-term credits to economic units and on consumer loans exceed 30 percent. The rediscount rate, too, is higher than 30 percent, and the interest rate on consumer loans is 32 percent. All this means that the conditions of lending and discounting "flexibly" follow through the money market.

[Garamvolgyi] What progress has the Savings Bank made in developing its relations and in attracting capital?

[Radnotzi] The Savings Bank was formed with a capital stock of 1.35 billion forints, as an extensive corporation covering the entire country. Linked to a network of about 1800 cooperative savings associations, the bank comprised relatively few branch offices of its own. Besides being a full-fledged commercial bank, the Savings Bank represents the professional interests of its shareholders and provides services for them. For example, the Savings Bank offers the following types of services: consulting on the shareholders' banking operations, accounting practices and recordkeeping, the elaboration of rules on banking procedures, joint advertising, etc. No less significant has been the issuing of new shares to raise the bank's capital stock to 2.0 billion forints. With the inclusion of legal entities and private individuals among the shareholders, the shares are now held more widely. The raising of the capital stock has also made possible the development of the bank's operations. One aim of the bank's business policy is to expand its foreign exchange operations. Another area in which the bank can advance is in maintaining the bank accounts of legal entities, individuals and cooperative savings associations, and in transacting their payments.

The larger share of lending also in 1990 will be in the form of short-term credits as well as discounting. The bank intends to provide investment loans to private enterprises and small businesses. We wish to enter the insurance business by participating in founding as a joint venture a new insurance company, the Elso Amerikai-Magyar Biztosito Rt. [First American-Hungarian Insurance Corporation]. That involves a substantial capital investment but will fit in very nicely with the long-term objectives of our business policy. Our aspiration is to provide as soon as possible a full range of services for our customers.

Budget Deficit Prospects Analyzed, Discussed

91CH0164A Budapest FIGYELO in Hungarian
8 Nov 90 p 1

[Article by E.S.: "Budget Barometer"]

[Text] The goal of holding the budget deficit at 10 billion forints hovered in front of us the entire year, like a distant magic star. To achieve that goal, a strict package plan was adopted in mid-summer. Also for that reason, the package plan was followed by the sharp rise in gasoline prices that led to the well known events. A hefty increase of the consumption tax on gasoline was to have been the source of revenue from which the government hoped to finance the individual budgetary agencies' increased expenditures that had been approved already in early September (FIGYELO, No. 43 of 1990). Now that this expectation has fallen through, the government is forced to find other sources from which to pay the budgetary institutions' bills, the total of which has just increased by 3.1 billion forints.

In the final outcome, however, what is the likelihood that the budget deficit will not exceed its original estimate? This is what we inquired about with Dr. Gyorgy Naszvadi, the head of a main department within the Ministry of Finance.

At the end of September, all items of expenditure in the state budget exceeded their proportional annual estimates. The picture is not that simple on the revenue side of the budget. Some sources of revenue well exceeded their estimates, while revenue from other sources fell short of expectations. The receipts of profit tax, of the state's share of the proceeds from privatization, and of consumption-related taxes (VAT and consumption tax), for instance, fell short of their estimates. On the other hand, however, the entire amount of personal income tax that had been estimated for the whole year flowed in by the end of September, and the financial institutions' estimated profit-tax payments already reached 1.5 times their annual estimate. As a result of all this, the state budget's deficit on 30 September was 14.4 billion forints, which can be termed relatively favorable in comparison with the previous situation. Which is an indication that the measures of the package plan adopted last summer have been successful, and their effects are beginning to emerge. As things now stand, the 27-billion-forint

improvement in the state budget's deficit that the package plan called for will become 24 to 25 billion forints by the end of the year. Although this will be less than the original target, this difference alone will not jeopardize fulfillment of the conditions set by the IMF.

However, there are two factors that seriously jeopardize fulfillment of the IMF agreement. They are the drought, and the changes in the conditions of procuring oil supplies. Admittedly, the package plan already contained provisions to compensate for these two factors. But at the time it was hardly possible to estimate how much they would add to the budget deficit, and how large an offset we would have to reckon with. It is still difficult to accurately quantify the impact of these two factors, but we certainly have to reckon with them. The drought's impact will seriously affect next year's budget, rather than this year's. The drought will not have a significant impact on this year's budget, except for land-tax abatement and remission, and for a decline in estimated profit-tax payments. But the drought's lingering effects next year could worsen the budget's net balance by as much as 5 to 10 billion forints; especially in accounting for the amounts of profit tax still due, and subsidizing the interest rates on loans provided to overcome the drought's effects could also cost more than planned. Moreover, due to the drought, economic rehabilitation of loss-making agricultural enterprises is likely to cost more next year than this year.

The cutbacks in oil imports from the Soviet Union will have a very painful effect also on this year's budget, causing a dropout of 8 to 10 billion forints in revenue from the differential import turnover tax. That is the direct effect, and it is not yet possible to estimate the indirect effects. Namely, we do not know what additional costs the OKGT [National Oil and Gas Industry Trust] will incur by procuring oil in other markets, how much lower the trust's profit before taxes will be because of this, and how much less profit tax it will therefore be paying into the state budget.

On the basis of the listed increases in revenue collection, however, it is by no means hopeless to assume that the substantial dropouts which are expected because of the drought and the changes in the oil market, and which will be greater than what the package plan estimated, will very likely be offset.

Fulfillment of the 1990 State Budget's Estimates

(On 30 September, in percent)

Revenues	Percent
Profit Tax	55.5
Special situation payments	70.1
Customs duty, import payments	69.2
Share of privatization proceeds	47.6
VAT	74.5
Consumption tax	69.4

**Fulfillment of the 1990 State Budget's Estimates
(Continued)**

(On 30 September, in percent)

Revenues	Percent
Personal income tax	100.0
Financial institutions' profit tax	153.2
Total revenue	72.7
Expenditures	Percent
Aid to economic units	64.3
Export subsidies for agriculture food industry	107.8
Consumer price subsidies	66.8
Central investments	66.2
Aid for private housing construction	84.9
Grants to central budgetary agencies	72.8
Grants to local councils	73.6
Debt servicing	77.3
Total expenditure	73.9

Performance of Commercial Banks Discussed

91CH0234A Budapest FIGYELO in Hungarian
22 Nov 90 p 13

[Interview with the director of strategy for National Commercial and Credit Bank Corp., Dr. Erno Huszti, by Ivan Wiesel; place and date not given: "Commercial Banks: Intentions and Realities"—first paragraph is FIGYELO introduction]

[Text] How did the expectations, leading to the establishment of a bilevel banking system four years ago, materialize and what problems are the commercial banks facing today? This is what we asked National Commercial and Credit Bank Corp. [OKHB] Director of Strategy Dr. Erno Huszti, who took an active part earlier—as Chief of Main Department at the Hungarian National Bank—in the development of the new banking system.

[Wiesel] What were the events that led to the institution of the new banking system?

[Huszti] There were two requirements for setting up the new banking system. We had to change the ambiguous situation in which a central bank, technically able to provide unlimited credit, was faced with an economy that had an unlimited demand for credit. With regard to the money supply, this resulted in innumerable problems. The actions aimed at "tying down surplus buying power" are familiar. Under such circumstances, the central bank was unable to carry out its classic functions because it was overburdened with tasks normally carried out by commercial banks. The central bank was neither a bank of issue nor a commercial bank. The first requirement—or task—was to reinstate the real functions of a

central bank and to build a network of commercial banks, connecting the economy and the central bank. The latter has no provisions for providing unlimited credit; it is limited by its own resources. This way, the direct connection between the central bank and the business establishments was abolished. The other requirement, which prompted the establishment of the new banking system, was that the country wanted to change to a market economy—which is inconceivable without a lively money market. The latter is based on dynamic commercial bank activity.

[Wiesel] Did these requirements materialize?

[Huszti] Unfortunately, not completely. As a legacy of the old monetary system, the central bank, in managing the refinancing funds, is forced to interfere with the activities of the commercial banks much more extensively and directly than expected. When at the start the resources and the existing credit accounts were passed over to the commercial banks, it became apparent that the economy's internal indebtedness was also extremely high. Credit stock in the enterprise sector was three times that of the existing stock of deposits. Consequently, there was strong pressure for refinancing through the central bank. Without that, it would have been impossible to keep the enterprises running. My long-standing view is that under such circumstances, the requirement of keeping a 15-20 percent reserve is excessive. I would have started with a 3-5 percent pilot rate which would have decreased the pressure on the central bank to refinance.

The commercial banks faced the same credit demand by the economy as the Hungarian National Bank [MNB] did earlier. However, the commercial banks can meet this credit demand only to the extent of their credit resources, i.e., they cannot come up with accessory monies.

[Wiesel] Is this why queuing, a way for companies to obtain money, blossomed?

[Huszti] No. I do not consider the rapid growth of queuing a consequence of the restrictions, because even earlier, at the time of the abundant money supply, it caused problems in money circulation—though not to the present extent. Queuing is caused primarily by enterprises that are permanently in the red—the so-called black holes—initiating the snowballing, the extent of which cannot even be determined by now. One must not forget that growing inflation also plays a significant role in fostering queuing.

The result of inflation and a distorted economic structure is that resources are not created where the demand for them is highest and thus the allocation of the money supply becomes excessively polarized. The banks are unable to bridge or transform the gaps, not even with the central bank's help. The expected inflation also contributes to the fact that savings are put into bonds instead of deposits, and the former do not always become resources available to commercial banks.

[Wiesel] To what extent are the commercial banks responsible for the emergence and expansion of queuing?

[Huszt] The commercial banks inherited queuing as well. I already mentioned that commercial banks cannot create money in excess of their resources—quite rightly so in the present situation. Thus, the demand for credit that has not been met—or, more precisely, could not be met—condensed into queuing. The central bank cannot meet the black holes' demand for money either because that would only fuel inflation. The central bank must curb inflation by regulating the money supply, and the MNB consistently strives to do that. The commercial banks must also accept the consequences of eliminating queuing and must write off most of the unreliable debtors from their books. During the past years, our bank wrote off most of the desperate debts that could not be collected within a foreseeable time period. In farming, we provided loans to substitute for credit to complete the working assets and, as a result, the farms' liquidity was improved. It is in the interest of the banking system to abolish queuing because it causes problems in money relations which adversely affect the operations themselves. We have been trying to alleviate queuing by reckoning between our accounts and the accounts of the OKHB and the MHB [Hungarian Credit Bank], but this only postponed the problems instead of solving them.

[Wiesel] You mentioned the important role the banking system plays in developing market relations. Did a desirable competition develop within the banking system?

[Huszt] The Hungarian banking system is hardly as developed as it should be in a country with a market economy. This is also true of competition. No real competition can exist where no real market and money market exist. For instance, the banks have no real incentives to lure credit applicants away from each other because today's market is a demand market, i.e., the banks can pick and choose among the applicants. A desirable situation would be one in which the banks' function of transfer would become evident, and one in which competition for markets and customers could begin. In the last decade, the population of West Europe was made extremely dependent on banking services. In Hungary, the culture of money handling is still at the turn-of-the-century level.

The lack of real competition is also reflected in the banking system. There are no specialized middle banks and investment associations. Their emergence is expected to create competition in this area as well.

Several indications appeared this year that banks will really have to compete with each other to acquire private deposit accounts and to handle foreign exchange transactions.

[Wiesel] How competitive is the Hungarian banking system on the international scene?

[Huszt] The total assets of all Hungarian commercial banks are less than those of a single leading Western bank, and the latter's individual networks are larger than the entire Hungarian commercial bank network. This does not mean that our banks should not take part as much as they can in international competition. I think we must learn many things. The banks must learn to get the population used to living with banks, and the population must learn what it can expect from financial institutions and why they are needed and, finally, both parties must understand what the meaning and requirements of economic openness are.

[Wiesel] Does fair competition exist in the banking sphere?

[Huszt] This is absolutely necessary, that is why the central bank and the supervisory authorities must take care not to allow a bank to gain an advantage by providing unsecured money. Fair competition is impaired by the fact that banks that were established earlier with foreign interest enjoy benefits and conditions of operation in Hungary which were not granted to Hungarian banks. These are the privileges of foreigners that would be extremely difficult to change. I think the new banking law will create equitable economic conditions for domestic and foreign banks, although the latter are at an advantage to begin with because they can use the most current technology.

[Wiesel] What is your opinion on the privatization of banks?

[Huszt] Under the present circumstances, we must be very cautious in implementing it, because many arguments exist for maintaining the national character of the existing large banks. It is another matter that commercial banks will have to make use of private capital in the form of shares, and that small and medium-sized banks should merge. However, the legal framework of these questions must be determined by the future central bank and by the banking law.

[Wiesel] How can the banking system help in the privatization of enterprises?

[Huszt] The willingness and the possibilities for savings are limited in the private sector and, thus, extensive privatization cannot be implemented with these resources. Naturally, the commercial banks also use their capital to participate in the transformation of enterprises to the extent allowed by the overseeing authorities, i.e., to a maximum of 25 percent. Credit must be provided and managed. The banks must help in seeking out foreign investors, as well as in the use of various foundations and funds. This is a new kind of task, the techniques of which are not yet worked out entirely in the Hungarian banking sphere.

[Wiesel] The banks made a lot of profits last year, and perhaps this year, too. What was the role of inflation in this?

[Huszt] The banks' gross profits were high indeed, but net profits were not excessively high. The fact is, that among other factors, inflation also played a role in making the profits but I could not give you exact figures

to illustrate its effects. Inflation forces the banks to set an interest margin that guards their capital's real value. This is what they must do to stay in business and this is what the shareholders expect them to do. In addition, credit granting has become much more risky.

[Wiesel] The central bank raised the interest rates of refinancing credits. Does this not drive the spiral of inflation generated by [increasing] interest rates even higher?

[Husztli] There is a special connection here. Following inflation, the banks increase the interest rates, and the central bank follows the money market's interest rates. This is a logical consequence of every inflation.

[Wiesel] Has the market's interest rates reached, or approached, the maximum point where the mutual lift force is exhausted?

[Husztli] I do not know. That depends on whether, in the real processes, we are able to slow down the increase of cost inflation. If we are able, then the increase in interest rates will act against inflation, according to the classic scheme but, until then, higher interest rates will generate higher prices. It must be noted here that a credit circle emerged even within enterprises, with even higher interest rates than the banks are charging.

[Wiesel] What do you think the greatest problem is that the banks must face because of inflation?

[Husztli] It is very difficult to rank the problems, but I think one of the banks' gravest concerns is the high risk in providing mid and long-term credit from their own resources. They do this by using the central bank's refinancing credits. This greatly limits economic development and the change of the economic structure, and is an undesirable road leading to limited banking activities.

Radio Telephones: Tender Bidding Discussed

91CH0233A Budapest FIGYELO in Hungarian
22 Nov 90 p 6

[Interview with Ministry of Transportation Deputy State Secretary Bela Doros by Erzsebet Eller; place and date not given: "The Way the Ministry Sees It: Frequency Preference"—first paragraph is FIGYELO introduction]

[Text] The appropriate ministry recently announced a tender bidding for radio telephone services on which everyone can bid—in principle. But, in view of the well known events that led to this bidding, is it possible to speak of fair competition? Yes, says Ministry of Transportation Deputy State Secretary Bela Doros.

[Eller] You contacted our editorial office because you disagree with Contel manager Michael Joseph's comments which appeared in FIGYELO's issue No. 44.

[Doros] True, I disagree with several statements he made, but now I would like to respond to only one: Contel suffered no personally or politically motivated

disadvantage in Hungary. Indeed, we are seriously thinking of taking Contel's past bona fide investments in radio telephone services into consideration during the bids' evaluation.

[Eller] But the requirements of the tender bidding are known already, and they include no preferential treatment of either Contel or any other firm.

[Doros] Truly, one solution could have been to have the tender bidding include the concessions that could be granted to Contel. We could not do this because Contel failed to document its investments to the ministry by the time the bidding was announced.

[Eller] And if it would document them? What will the bidders say about this special treatment that would by then put them at a disadvantage?

[Doros] Of course, we will consider only investments that are acceptable to the competitors as well. They amount to much less than the sum of 1 billion dollars which Contel people allegedly spent.

[Eller] The purpose of every competition is to provide an opportunity for the most promising venture, but this presupposes fair competition. Can we speak of fair competition when a company is already operating? It is Westel that was issued a license without bidding to provide radio telephone services in the 450-MHz range. For that, they had to pay neither a concession fee nor a fee for the use of the frequency.

[Doros] And what do you think will follow this? Should we continue this flawed practice and issue further licences without competition?

[Eller] No. A company should not have been allowed to gain an advantage over the others. Why were their licenses not revoked? Why was a competition not announced for the 450-MHz frequency? Are you going to do that only for the 900 MHz?

[Doros] Unfortunately—and I really mean this—the concession license of Westel (it used to be called Radio Telephone Ltd.) cannot be revoked because it is legal according to present statutes. The 1964 postal statute specifies that only the Hungarian Post Office and its legal successor are authorized to engage in such an activity. The majority of Westel's shares are owned by the Hungarian Telecommunications Company. The absence of this condition was precisely the reason why the contract with Hungaria Telecom and Contel was terminated. But the 450-MHz range is rather narrow. It can serve "only" 45,000 to 50,000 subscribers but, according to present estimates, about 100,000 subscribers would be needed to make it profitable.

[Eller] Has Westel lost its privileges in the 900-MHz frequency range?

[Doros] Yes, because the minister revoked them as well. Thus, a fair competition may take place in the 900-MHz range, possibly resulting in 5 to 10 percent lower service

rates than those of 450 MHz. In the short run, Westel, which started earlier, may have an advantage over the others, but in the long run it will be at a disadvantage against those who provide services at 900 MHz.

[Eller] Of course, Westel may also participate in the tender bidding, thus, it is conceivable that it may also operate in the 900 range. And if it will be able to connect the new services with those provided in the 450-MHz range, no real competition can take place in the case of the radio telephone. On the other hand, if the two (!) tender biddings announced for the 900-MHz range will be won by two other companies, probably all three will go under in this venture. For this market cannot support three service companies.

[Doros] These are only conjectures. Real trouble would have emerged if the licenses already issued and contracts already signed would have remained in effect, resulting in a loss of competition during the next decade. In my opinion, a continuous competition may indeed be maintained with this tender bidding. The only uncertainty is, how fast the upper 900-MHz range, the use of which will be licensed by the second tender, is going to be freed from the present military use, to allow civil use.

[Eller] No concession law exists yet in Hungary; a bill is expected to be introduced to parliament this year. As the telecommunications law is also in the making, it can perhaps be passed during the first quarter of next year. No digital radio telephone services exist yet in the world; the existing services are of the analog type. Understandably, the tender bidding was announced for a digital system, for that will be the basis of the so-called pan-European system. In other words, the ministry could have waited with the announcement of the bidding until clarification of the basic conditions.

[Doros] True, we would have preferred to announce the tender bidding only after the passing of the telecommunications and concession laws, but the announcement was prompted, among other things, by the press campaign launched against us by Contel and Hungaria Telecom.

[Eller] The tender bidding was announced for digital operation but the winner will be allowed to start with an analog system which he may use until 1994. Why was this concession necessary?

[Doros] Westel started with an analog system and what is available today is certainly analog systems. Thus, if we want the winner of the tender bidding to break into the market rapidly, we cannot cut him off from this possibility. Nevertheless, our long-range goal is the development of a digital system, for this is the way to get connected to international systems. It is the investor who must decide whether or not it is worth it to start with the analog system in order to make fast profits and then change in 1994 to the digital system.

[Eller] How can his investment have returns in such a short time?

[Doros] This would necessitate a thorough knowledge of the market, which no one has today. Because of the extremely bad general telephone situation, everyone overestimates the Hungarian market. Even though radio telephone services are much more expensive than traditional telephones and, even in West Europe, it can only constitute a maximum of 10 percent of all telephone services.

[Eller] The announcement of the tender bidding says that the winner will have to pay a \$24 million frequency fee. How was this sum determined? I have read in a trade paper that the same kind of tender bidding for radio telephone services was announced in New Zealand. Four concession licenses were issued but competition drove up the concession fee to the extent that the winner ended up not developing the system because services became unprofitable.

[Doros] This makes no sense. Why did he invest and then not develop the system? The \$24 million fee was determined on the basis of international experience, prorating the channel. Incidentally, we do not ask for a single payment. In order not to hinder business, it can be paid in two installments with a two-year period in between. The bidders' initial service rates are also taken into consideration in our tender bidding. This is how we want to see to it that the service company does not pass the frequency fee directly onto the customer.

[Eller] But the final rates will be determined by the market. Why is it called a frequency fee instead of a concession fee?

[Doros] This is because, as I mentioned already, no concession law exists yet and, consequently, the frequency fee is the legal one at present. Its revenues are used by the state to cover the expenses related to frequency management.

[Eller] Does a sensible frequency management exist in Hungary at all?

[Doros] Unfortunately, this management—excluding the use of frequencies by the military—has been subject entirely to postal interests. It was the 1 January 1990 separation of the Post Office that made it possible to transfer from company to state this authority, which is reserved by the state throughout the world. Studies on frequency management are being conducted. We would like to work out a frequency management system that is completely open and which assures equal opportunity to every entrepreneur. As soon as the Frequency Management Institute will have the necessary technical background, anyone can inquire about the availability of free frequencies and then make a bid for their use.

[Eller] There has been so much mention of the lack of a concession law, a telecommunications law, and even of the need to modify the postal law. In view of this, how will it be possible to attune the licenses issued today to future laws?

[Doros] Unfortunately, the present practice is governed only by existing laws. This is why, at the radio telephone tender bidding, for instance, we had to require the bidders to allow a majority share by the state. The winner must establish that within 60 days. Even though there is no professional reason for the state's majority share, it would be sufficient to require a national majority share. It is conceivable that the situation would change if the new laws would be passed before the end of the bidders' evaluation.

POLAND

Reduced Inflation Rate for 1991 Predicted

91EP0163C Warsaw RZECZPOSPOLITA
(ECONOMY AND LAW supplement) in Polish
29 Nov 90 p 1

[Article by Piotr Aleksandrowicz: "Moderate Growth"]

[Text] Explanatory notes of the draft budget contain some data on the projected growth of prices next year. We may say with confidence that next year the level of inflation should be considerably lower than this year.

From among the many statistics, the one which compares the price level in December 1991 with that in December 1990 is the most clear-cut. These data cover only retail prices and amount to:

- Goods and services on the whole—growth of prices by 32 percent.
- Out of which foodstuffs—by 24 percent.
- Alcoholic beverages—by 28 percent.
- Nonfood goods—by 32 percent.
- Services—by 54 percent.

Let us recall that the growth of prices is the result of, among other things, increases of rents in rental apartments already scheduled for the beginning of the year (presumably by 100 percent), [rates] for electricity for individual consumers ([the increase] was announced to amount to 40 percent in January), gas (by 96 percent), and certainly also [the prices of] coal, central heating, and hot water, and passenger tariffs (railway by about 120 percent, and PKS [State Motor Transport] certainly by about 70 percent).

All of these data have already been published, but in a disjointed form. When assembled in one place they indicate why the growth of prices in the first quarter of 1991 will be the most serious.

From among wholesale prices, the price of electricity for industrial consumers will increase (by about 20 percent), as well as that of gas and transportation tariffs of the PKP [Polish State Railroads]. We may assume that the growth of wholesale prices will be lower than that of retail prices for the same goods because, at present, prices for tickets, gas, and electricity for individual consumers are definitely too low. The market will shape the prices of oil and coal.

Changes in wholesale prices will not be passed on in their entirety to retail prices because the latter will be restricted in part by the demand barrier. The unchanged currency exchange rate should also stabilize the situation.

A current forecast of retail prices in successive quarters of the year is as follows:

- The average level of prices in the first quarter of 1991 will be 16.6 percent higher compared to the level of prices in December 1990.
- In the second quarter, prices will be only 5.2 percent higher on average than in the first quarter.
- In successive quarters, the growth of prices will amount to between three and four percent, that is, only a little higher than one percent a month.

We may expect that growth will be uneven in the first quarter as well—more rapid in January than in February or March. It is estimated that the average level of retail prices in 1991 will be 52 percent higher than the average this year. More than 22 percent of the so-called transferred consequences of price revisions in 1990 will contribute to this 52 percent. Low transferred consequences in the group of alcoholic beverages indicate that there should not be an increase of prices for alcohol in December, despite circulating rumors.

It is expected that the growth of average wholesale and investment prices will be slower than that of retail prices. Compared with the average 1990 level, investment prices will be on the average 40 percent higher in 1991, and wholesale prices will be 29 percent higher.

Finally, the last statistic which may be found in budgetary materials is a comparison of the average 1991 prices with prices in December 1990. Retail prices will be 24 percent higher, wholesale prices 20 percent higher, and investment prices 23 percent higher.

Overall, there is no doubt that the beginning of the year is going to be difficult. A switch to settlements in freely convertible currencies in trade with the CEMA countries creates a surge in prices mainly due to the need to increase prices for Soviet crude oil to the now relatively high prices of the world market. Crude oil prices in the wholesale market may increase by about 30 percent in the case a barrel of oil costs about \$31 on the average.

Another price surge will be due to the need to keep improving the ratios of prices for energy carriers [as published] to those for other goods. Some of these undertakings are coordinated with the World Bank because they are elements of larger agreements involving the use of World Bank loans (railroads, natural gas). Next year, some subsidies will be restricted which, in combination with liberalization, means a certain upward movement of prices (coal). Also, prices will certainly increase due to the reevaluation of fixed assets.

If estimates turn out to be correct this could mean a slowdown of inflation to relatively very low levels as

early as the second quarter of 1991. This year, the plan could not be implemented because the negative consequences of the previously unforeseen crisis in the Persian Gulf and the earlier than expected unification of Germany overlapped with a more liberal—perhaps, excessively liberal—income and monetary policy in the second half of the year.

We will see what happens next year. The first several weeks may be of key significance.

It will be bad if the actual growth of prices turns out to be higher than predicted. It will be even worse if the somewhat higher growth of prices in January is not quickly subdued in the coming months. This, however, will depend on the entirety of the monetary and income policy, and the effectiveness of their implementation. At this point, it is worthwhile to recall that during similar, though less pronounced, price movements in July, the growth of retail prices turned out to be smaller than predicted.

However, something that we may call an inflationary potential continues to exist in the economy. This is the pronounced disparity between the level of domestic and world-market prices for many goods as a result of which, in the case of these goods, no effective constraints are placed on the growth of prices by external competition.

Despite all of these danger areas and uncertainty, a repetition of what happened 12 months ago is undoubtedly not a threat early in the coming year.

1991 Budget Draft Changes Delineated

91EP0169A Warsaw ZYCIE WARSZAWY in Polish
10 Dec 90 p 4

[Article by Krystyna Milewska: "Draft of Budget for 1991"]

[Text] Budget receipts in 1991 are supposed to total 291.6 trillion zlotys [Z], while expenditures are to amount to Z193.1 trillion. There will be a Z1.5 trillion deficit. The foreign credit balance will also be negative—Z7.3 trillion. This is the difference between the sum of the credits—Z4.7 trillion, and what we have to pay—Z12 trillion. Of these Z12 trillion, Z10.1 trillion are foreign payments and Z1.9 trillion are the State Treasury's obligations to our banks.

The tax receipt proportions will change. The amount of the sales tax will rise 94 percent, and the income tax only 47 percent. Subsidies, as a rule, will remain at last year's level, according to the sum total, which means that there will be a real drop of about 30 percent.

The government's proposal envisaged that the gminas would receive two percent of the income tax receipts from legal entities, 10 percent from the tax on remuneration, and 25 percent of tax receipts from individuals. Parliament set the figures at five percent, 10 percent, and 50 percent, respectively. After these revisions, the

gminas receipts will increase by Z10 trillion, meaning that much less money will flow into the State Treasury. That is why subventions for the gminas must be reduced by this amount, however, in the subvention structure, the share of equalization subvention will be larger. It will most likely cover 1,500 gminas, while in the previous version it covered 1,280 gminas.

The fastest growing expenditures in the State Budget are those for public assistance, including the Labor Fund—approximately Z15 trillion. Z13.8 trillion has been appropriated for unemployment benefits (this includes the Social Security deposit). The average unemployment benefit is to be about Z665,000; this is more or less half the average wage. This portion of the State Budget seems to be quite controversial. If we look at the structure of wages, the majority always earns less than the average.

This means that wages are approximating the size of the unemployment benefits. These proportions are not what the government wants, but are the result of laws that have been passed, including the Law on Employment. Nevertheless, this may be the cause of unemployment and also the lack of people willing to work at less than the average wage. There will be even more such job offers after the problem of the tax on excess wage growth is solved, the solution being that a "standardized" average remuneration will be used in calculating the base fund, and not, as heretofore, the wage fund. Therefore, plants which are in good financial condition and are able to increase their production can report that they need workers, but cheap ones. In many towns this is already evident. Workers are being sought and, at the same time, there are a large number of unemployed who express no willingness to work.

Insurance Concern Partially Funded by Americans

91EP0169B Warsaw GAZETA BANKOWA in Polish
No 50, 9-15 Dec 90 p 5

[Article by (JK): "Insurance Competition"]

[Text] On 30 October 1990 the minister of finance consented to the establishment of the first, in 50 years, Polish insurance companies employing foreign capital. The Polish Security Bank's partners are the following American insurance companies: American Life Insurance Company and AIU Insurance Company, which belong to one of the largest American insurers operating on the international market—American International Group (AIG).

"We are particularly proud that we will be one of the first foreign companies selected to operate on the Polish market in accordance with the new insurance law," said M.R. Greenberg, president of the AIG Supervisory Council, when he heard that the minister of finance had granted permission.

AIG's share in the new Polish insurance companies will be 55 percent, and Polish Security Bank's will be 45 percent.

AIG's member companies perform a full range of insurance services in over 130 countries. Poland will be the 138th. They also offer other financial services. AIG stock is quoted on exchanges in New York, London, Paris, and Tokyo. In 1989, AIG's sales were approximately \$15 billion, and their profits were in the nine-percent range. In the United States alone, it employs 31,000 people. For 20 years, AIG has been working together with Insurance and Reinsurance Society Warta Company, therefore the Polish market is not foreign to it. The idea of establishing its own insurance companies in Poland arose last February. AIG submitted its first proposal in April. It was not examined because a new insurance law was being prepared. The law was passed by parliament on 28 July 1990. It directs that life insurance must be kept separate from other insurance activities, in accordance with instructions issued by the EEC. That is why, two months later, the founders of the insurance companies submitted two applications to the Ministry of Finance.

Permit No. 1 was issued to the First American Polish Life Insurance and Reinsurance Company, Incorporated, and Permit No. 2 went to the First American Polish Insurance and Reinsurance Company, Incorporated. In order to reduce operating costs, a joint board was appointed. Thomas Mintoft-Czyz, who has been representing AIG's interests in Poland, became president. "We will conduct all kinds of insurance activity, with the exception of compulsory insurance," [Mintoft-Czyz] says. But he realizes that first a real and competitive insurance market must be created in Poland.

Until now, most matters connected with insurance were taken care of by the state, or more precisely, by the employer. Almost 95 percent of employees in Poland are insured for life. Not many know about this. In any case, this is not surprising, because, as one of the State Insurance Bureau's employees so graphically put it, the money obtained from insurance would not be enough to buy a coffin.

In the Life Insurance Company the guaranteed sums will be high. The life insurance will be paid either in zlotys or in foreign currency.

In the classic taxation system, life insurance payments are deducted from the tax base and the interest on bank savings is taxed. That is also how it will be in Poland. This should encourage people to take advantage of insurance.

In the West, it is mostly the middle class that insures itself. In Poland, there is still no such class and only the processes of a market economy will create one.

Many types of insurances have not been taken advantage of at all in our country. This applies particularly to insurance for economic entities. The Insurance and Reinsurance Company will concern themselves with these insurances. It will offer insurance against accidents, illness, civil liability, casco [insurance on means of transport, excluding cargo], material damage, and risks connected with the conduct of economic activity, i.e.,

credits, guarantees, and financial losses. For example, banks will be able to insure themselves against losses caused by dishonest employees.

President Mintoft-Czyz does not expect profits to come quickly. Insurance is a long-term operation. He says, "The fact that AIG is first on the Polish market attests to its farsightedness. In a year there will be a dozen Western insurance firms. We are not afraid of competition. We will offer the highest real guarantees. We want to show that we are able to invest money better than others."

The foreign stockholders of American-Polish insurance companies can send abroad 100 percent of their share of the profits, after paying the taxes due. But they cannot invest abroad all of the foreign currency collected in Poland in the form of insurance fees. But they are trying to convince the Ministry of Finance to grant permission for such an operation.

"This money can come back to Poland at any time as indemnity," says president Mintoft-Czyz in justification of its efforts. "In addition, all of the profits from foreign deposits are taxed by the Polish Treasury."

Both companies plan to begin operations in January 1991. The profits earned in the early operating years will be reinvested in Poland. Larger earnings are not expected for eight or nine years. Convincing Poles to insure themselves will take a little time. Initially the companies first want to satisfy the needs of the foreign firms for those insurances available to them in the West.

International Patent Cooperation Treaty Signed

91EP0163A Warsaw RZECZPOSPOLITA (ECONOMY AND LAW supplement) in Polish 29 Nov 90 p 1

[Article by Krystyna Forowicz: "Will We Have Things To Patent?"]

[Text] Finally we are in Europe. Poland has ratified the Patent Cooperation Treaty (PCT). Therefore, Poland has become a full-fledged member of it. At present, 45 states belong to the PCT. It was set up in 1970. Its goal is to simplify formalities when patents for the same invention are sought in several countries at the same time.

Bogdan Rokicki, director of the Department of Applications of the Patent Office of the Republic of Poland, explained: "An inventor seeking patents in selected countries belonging to the PCT makes just one application rather than, as has been the case, separate applications in each country. Likewise, he bears the cost of protecting his invention just once. Experts with international status evaluate the solution submitted from the standpoint of its novelty, nonobvious characteristics, and applicability. These are the basic requirements which an invention should meet."

Belonging to the Patent Cooperation Treaty is a must if we want to cooperate with other countries of Western Europe.

The general concept and grounds for the PCT treaty are simple and obvious, whereas specific provisions contained in its statute are extensive and quite complex because when the treaty was set up efforts were made for it to apply to all cases and situations which may develop in the process of registering and evaluating invention applications. Participation in the treaty requires that our patent services be familiar with these regulations. For this reason, the Patent Office of the Republic of Poland organized on 28 November an all-Polish seminar with the participation of international specialists Busso Bartels from the World Organization of Intellectual Property (OMPI) and Larisa Grushov from the European Patent Office.

Therefore, we have drawn closer to Europe in terms of the regulations of the law on inventions. However, doubts persist as to what we will have to protect in the international arena. To be sure, since January about 4,500 applications have been filed at the Patent Office and more than 3,000 patents have been granted. However, for several years now we have been protecting abroad not more than 60 inventions a year. Is this so because the potential of Polish scientific and research facilities is too modest, or because our creators have been appalled at the cost of protecting their inventions abroad and the confused, complex procedure for official proceedings?

New Land Management, Real Estate Law Passed

91EP0163B Warsaw *RZECZPOSPOLITA (ECONOMY AND LAW supplement)* in Polish 29 Nov 90 p 1

[Article by Andrzej Zielinski: "Land To Be Acquired Only at Auctions"]

[Text] After many vicissitudes, the Law on Land Management and Real Estate has assumed its final shape. The law amends the current law dated 26 April 1985 by setting forth new guidelines adapted to market-based land and real estate management. The law will take effect on 5 December of this year; it was published in *DZIENNIK USTAW* No. 79.

A press conference on this topic was held in the Ministry of Land Use Management and Construction on 28 November during which journalists were informed about fundamental changes in the amended law.

Mandatory auctions will be the only form of acquiring real estate to be owned or to be used in perpetuity. Conditions for such auctions will be uniform for all

individuals and corporate persons, Polish and foreign citizens. The latter will be under an additional obligation to secure the consent of the minister of internal affairs. A ban on purchasing more than one piece of real estate by the same person will be repealed, as well as a ban on selling it sooner than in five years.

New regulations change the guidelines for [land] confiscation in general. The so-called superior, socially justified purposes which make it possible to confiscate [land] for the benefit of the State Treasury or a gmina are restricted. The amount of compensation will be set at the level of a market price, and compensation will be paid in full within 14 days from the moment the decision becomes legally binding. On the other hand, an opportunity is introduced to make real estate available for charitable, guardianship, cultural, educational, instructional, and athletic-tourist uses at reduced prices or free of charge if persons to whom it is made available do not engage in profitmaking operations.

The owners of garages built with their own resources on lands belonging to the State Treasury will be happy to obtain deeds of ownership which, will, after all, come free. From among other regulations, we should note one regarding the return of confiscated real estate not used for the purposes for which it was confiscated.

In keeping with the Law on Land Management and Real Estate Confiscation, land is becoming especially protected and the highest valued commodity.

ROMANIA

Joint Venture With Siemens in Telecommunications

91P20076A Duesseldorf *HANDELSBLATT in German* 12 Dec 90 p 19

[Text] Siemens AG, Berlin/Munich, has signed an agreement in Bucharest with the Romanian telecommunications enterprise, Electromagnetica, and Romposttelecom, a unit of the Romanian postal system, for a joint venture for the production of digital switching and transmission technology (EWSD [digital electronic switching equipment]). The joint venture, in which Siemens will have a share of 49 percent and the Romanian partner, 51 percent, is called "ENCOM." The production of EWSD public telephone systems and of transmission systems will begin next year. In one year, 100,000 telephone links will be produced and, in another two years, the annual production of telephone links will be 500,000.

The volume of investment funds needed for the factories amounts to about 20 million German marks [DM].

CZECHOSLOVAKIA

Sociologists Report on Attitudes Toward Reform

91CH0227A Prague LIDOVE NOVINY in Czech
21 Dec 90 p 10

[Article by Marek Boguszak and Ales Hejkal: "AISA: Seven Basic Types of Czechoslovak Population; The Die Is Cast"]

[Text] The problem of the jurisdictions temporarily overshadowed the questions which most of the public considers to be key: Will there actually be an economic reform beginning 1 January? How much will prices increase? And how much will wages increase? How many enterprises will be put on the block, and how much unemployment will there be? If prices rise, will there at least be a sufficient supply of goods? When will officials of all the very important institutions stop acting like overlords with unlimited power and begin to behave like those who serve people (and who can lose their jobs like everybody else if they do not give good service)? And so on, and so on.

Information that filters down to the public is very meager. The scenarios for economic development discussed by the government were obviously publicized only because of the indiscretion or inquisitiveness of the media. And at the same time the catastrophic scenario was qualified by the amount of oil deliveries not by the social impact, which is what interests the public.

But let us begin with the assumption, no matter how indefinite in its specific features, that the process of change of the entire economic system will actually begin in January, and let us take a look at how the public is divided into groups according to probable reactions. We base our conclusions on the results of research from January, May, and November of this year, conducted by AISA-Group for Independent Social Research.

In the Fall was seen an accelerated maturing of attitudes of the public toward the expected economic changes and their social consequences. Its progress was very dynamic and social crystallization ran ahead of political as well as economic changes. At this time we can already talk about relatively stable and clear-cut attitudes toward political development and the economic reform, as well as the probable social reactions to its consequences. Moreover, these attitudes are logically and strongly interlinked, and they are beginning to reflect specific interests of individual social groups. For example, there does not exist a group of any considerable numbers that would support the political development, would have confidence in its current representatives, and at the same time would assume a negative attitude toward the reform.

In the Czechoslovak population there can be identified seven basic types, which mutually represent clearly different examples of attitudes toward the reform as well as the reaction to its social consequences. We call this typology REACTION 1991.

Type I—"Liberal theoreticians" (16 percent of the population, CR [Czech Republic] 12 percent, SR [Slovak Republic] 12 percent)—are satisfied with the political developments and are all in favor of the economic reform to be sure, but of course their readiness to support the reform actively, be it by a greater effort, change of employment, or by actively engaging in private enterprise, is very low. Support for economic changes can be expected from them mainly on the theoretical level, and it is an open question how their attitude will change the moment the negative consequences of the reform touch them, their optimism proves to have been unsubstantiated and their activity insufficient for maintaining their standard of living.

Type II—"Entrepreneurs" (7 percent, CR 8 percent, SR 6 percent)—represent the nucleus of the future top echelon of Czechoslovak entrepreneurs and property owners. These are extraordinarily active individuals, willing to take risks and create a "large" private sector, i.e. not merely small businesses. They are oriented not only toward private entrepreneurship and personal profit, but also toward education, work, and performance. They are firmly determined and most of them can no longer be held back. They generally have personal qualifications for what they intend to do—they are highly educated, have good incomes, and belong to the middle and younger age categories. This group will be the focal point of economic prosperity and social dynamics, and a strong support for the pro-reform political forces.

Type III—"Opponents of reform" (24 percent, CR 21 percent, SR 31 percent)—are almost a mirror antithesis of the entrepreneurs, but there is, of course, three-and-a-half times as many of them. Extremely high fear of the future and emphasis on passive, egoistic life strategies are interlinked in them with a negative attitude toward the political development, its representatives, and the economic reform, but also with a great readiness to defend their demands, no matter how unrealistic, (they refuse to change their jobs, begin to work harder, etc.) by any means, including strikes. It can be expected that with the first impact of the reform the numbers of this group will begin to grow.

Type IV—"Handicapped small businessmen" (10 percent, CR 9 percent, SR 12 percent)—have many common features with the opponents of reform, but their concerns lead to a determination to improve their chances by trying to set up a private small business. A great readiness for individual activity also includes strikes. They are, however, in contrast with the entrepreneurs, very poorly equipped for starting in the private sector as far as income and education is concerned, and their motivation is mostly negative. This group will not survive the impact of the reform. Obviously only a small part of this group will succeed in private business, the greater part represents candidates for membership in Type III, opponents of reform.

Type V—"Employees" (12 percent, CR 11 percent, SR 12 percent)—are, similarly as are the opponents of reform and handicapped small businessmen, troubled by a great fear of the consequences of reform, but do not take a strong position against it. Although they are not thinking about private entrepreneurship; they intend to improve their work performance and become highly qualified, their goal being to attain the position of a top employee. Their reaction to the reform will depend in the first place on whether fundamental changes in the employment situation, above all compensation according to competence and performance, will be quickly carried out—at present, four-fifth of citizens say that their work effort and output have no bearing on the amount of their wages. But if sloppy work and miserable results will continue to be rewarded at the same rate as their opposites, then, of course, more opponents of changes will be recruited from the ranks of the employees.

Type VI—"Enterprising pensioners" (8 percent, CR 8 percent, SR 7 percent)—are, despite their more advanced age, great fans of the reform and private enterprise. In contrast to the entrepreneurs they say that they do not have enough opportunity or scope for what they want to do (which is determined mainly by their age). Many of them therefore no longer have realistic qualifications to go into private business. But even in case of failure they obviously will not change their attitude and within the limits of their ability will continue to support actively all the political and economic changes currently underway.

Type VII—"Passive individuals" (23 percent, CR 24 percent, SR 20 percent)—total passivity, tendency toward defensive, frugal, nonconfrontational life strategies are the dominant features of this group. Their passivity goes so far that even despite their somewhat antireform attitude and considerable concern about the future they do not intend to take part in strikes—but it is easy, of course, for someone else to do it in their name. It is precisely their passivity that makes them an ideal object to be easily manipulated and politically used. From the point of the reform, this group could be, thanks to their inertia, apathy, and tendency to be easily manipulated, a great burden.

The die has been cast, therefore, and practically three-quarters of the population have fixed attitudes which the start and pace of the reform will not fundamentally change. They will only change the intensity of the social reaction.

At least in four of the seven types of REACTION 1991 we cannot expect a basic change of attitude in the near future: The majority of "liberal theoreticians" and "enterprising pensioners" will obviously continue their active support. The most numerous group—"opponents

of reform"—could be turned away from protests, strikes, and from provoking political crises only by a return to the old system, naturally one with even lower demands in the workplace and with a West German standard of living. The "passives" will not be moved by anything.

Nevertheless, three types are still in play. In the case of the "entrepreneurs", it is still not certain where their energy and inventiveness will be directed. A slow-moving reform and lack of opportunity would inevitably lead to a growth of grey economy and black market, many would simply go into business in the West. The philosophy of developing private enterprise here has been for the time being directed not at the "entrepreneurs" but at small business, and judging by the group of the "handicapped small businessmen", not very successfully. If they are not given more support, we shall have a great many handicapped and precious few small businessmen. And finally, if the "employees" find that they still cannot achieve anything by heightened effort and performance at work, they will obviously be prepared to get it by engaging in strikes. Slow and inconsistent changes do not have a chance of breaking through the deep-rooted climate and system of rewarding that inhibit productivity.

In deciding about the character and course of the reform two approaches, not mutually exclusive, suggest themselves. The first one concentrates primarily on the socially rebellious and passive groups of the population, on constantly putting out tens of small as well as larger "social fires." It prefers approaches that try to prevent big social conflicts. The governments must retain strong positions in economic decisionmaking and directing, concentrate economic support on enterprises, rather than on people, as independently thinking, deciding, and acting entities. In that case will be of course very difficult to avoid protectionism in favor of those who shout the loudest, even though they may often be incapable and unproductive. The danger is great that if this approach becomes dominant most of the social and economic potential of active people (those, who are better off thanks to their activity, and who moreover do not have the time to agitate) will be lost.

The second approach puts greater emphasis on a positive stimulation of prepared and ready social forces and on removing obstacles to their activities (among those obstacles could even be ineffective enterprises and monopolies which are being protected for social reasons), it gambles more on the social resources which, although a numerical minority, could become the moving force of change. Governments therefore will lose something of their redistributed jurisdictions, and will have to put more trust into existing positive social forces, but they should devote more time to questions of strategy and a systematic repair of the sorely tested social safety net for those who will be most severely affected by the reform.

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